

97 01009

in t e r d e p e n d e n c e

Complimentary Copy
to our Depository Libraries
ABAG 510/464-7900
www.abag.ca.gov

The Changing
Dynamic
between
Cities and
Suburbs in the
San Francisco
Bay Area



interdependence

The Changing Dynamic
between Cities and Suburbs
in the San Francisco Bay Area

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

OCT 23 1997

UNIVERSITY OF CALIFORNIA

Association of Bay Area Governments
April 1997

 The reprinting of this report is made possible, in part, through a contribution from PG&E.

Table of Contents

Chapter 1. Introduction

Central Questions	1
The San Francisco Bay Region is Unique	1
Study Definitions and Data Presentation	2

Chapter 2. Key Themes: A Review of the Literature

Theme 1: Within regions, are cities and suburbs dependent, interdependent, or unrelated?	5
Theme 2: Do economic disparities between cities and suburbs hurt the region's ability to compete?	7
Theme 3: Does the city have a unique role in the economic life of the region?	8
Summary	9

Chapter 3. Trends Shaping Metropolitan Form: Suburbanization and Decentralization

Historical Metropolitan Development	13
Population Trends	14
Employment Trends	15
Conclusions	17

Chapter 4. The Changing Global Economy: Impacts on Jobs and Labor Force

The Changing Economy	19
Labor Force Implications	20
Conclusions	24

Chapter 5. Metropolitan Vitality: Urban/Suburban Distinctions

Education	27
Crime	29
Race/Ethnicity	30
Income	31
Municipal Finance	34
Civic Participation: Voting and Representation	37
Conclusions	38

Chapter 6. Regional Linkage: Economic, Academic, Cultural, and Environmental Connections

Cities as Regional Employment Centers	41
Bay Area Ports Link the Region to the World	43
Business Location Decisions in a Regional Market	44
Educational Resources	45
Tourism and Travel	46
Arts and Culture	47
The Regional Environment	48
Conclusions	49

Chapter 7. Implications for Public Policy

Context	53
Different Futures?	53
Study Topics and Findings	54
Policy Implications	55
Plan of Action to Strengthen the Regional Economy	56

<i>Bibliography</i>	59
---------------------	----

<i>Acknowledgments</i>	62
------------------------	----

List of Figures and Tables

List of Figures

Figure 2-1	City/Suburb Population Growth Rates	6
Figure 2-2	City/Suburb Income Disparities v. Metropolitan Employment Growth	7
Figure 3-1	Spatial Development of the San Francisco Bay Area	13
Figure 3-2	Historic Bay Area Population Growth	14
Figure 3-3	Historic Population Growth in Three Largest Cities	15
Figure 3-4	Changing Job Shares for the Three Largest Cities (1975-2015)	16
Figure 4-1	National Trends: Manufacturing Eclipsed by Government, Lower-Paying Retail and Service Jobs	19
Figure 4-2	Share of New Jobs: Three Cities and Rest of Region (1995-2015)	21
Figure 4-3	Top Ten Occupations with the Greatest Absolute Job Growth	22
Figure 4-4	New Jobs by Sector (1995-2015)	23
Figure 5-1	Educational Attainment (1990)	27
Figure 5-2	Pay “Premium/Penalty” for Education: San Francisco Workforce (1980-1990)	28
Figure 5-3	SAT Scores	28
Figure 5-4	CAP: Eighth Grade Reading Scores	28
Figure 5-5	Violent Crime (1980-1995)	29
Figure 5-6	Property Crime (1980-1995)	29
Figure 5-7	Bay Area Poverty and Affluence: Areas Above and Below Median Income (1989)	32
Figure 5-8	Bay Area Income Change: Areas of Gain and Loss (1969-1989)	33
Figure 5-9	Poverty Concentration (1989)	35
Figure 5-10	Income Disparities Within Urban Communities (1989)	36
Figure 5-11	Municipal Finance: Urban/Suburban Differences (Fiscal Year 1994)	38
Figure 6-1	Workers Commuting Outside County of Residence	41
Figure 6-2	Net Flow of Employee Earnings (1989)	42
Figure 6-3	Bay Area Exports by Origin and Value (1993)	44
Figure 6-4	Residence of Visitors: deYoung Museum (San Francisco)	47
Figure 6-5	Residence of Attendees: Golden State Warriors (Oakland)	47
Figure 6-6	Residence of Attendees: San Jose Sharks	47

List of Tables

Table 3.1	Changing Regional Shares: Population	15
Table 3.2	Changing Regional Shares: Employment	16
Table 4.1	New Jobs by Sector (1995-2015)	22
Table 5.1	Population Shares by Race/Ethnic Group, San Francisco Bay Region (1980, 1990, 2015)	30
Table 5.2	Population Growth by Race/Ethnic Group, San Francisco Bay Region (1990-2015)	30
Table 5.3	Population Shares by Race/Ethnic Group, San Francisco Bay Region (1980, and 1990)	31
Table 5.4	Municipal Taxes and Expenditures for Urban and Suburban Areas (Fiscal Year 1994)	37
Table 5.5	Voter Registration and Turn-Out for a Sampling of Bay Area Urban and Suburban Communities	39
Table 6.1	Residence of Commuters into the 3 Cities	42
Table 6.2	Jobs v. Employed Residents	42
Table 6.3	Secondary Employment from Commuter Spending	43
Table 6.4	Jobs Related to Manufacturing Export (1993)	44
Table 6.5	Bay Area Travel Destinations	46

future
revitalize
diversity
COLLABORATE
CHAPTER ONE
vitality LINK
environment
economy
connection
education

Introduction

"You can't be a suburb of nowhere."

Jerry Abramsonⁱ

The relative position of cities *vis à vis* suburbs has changed dramatically over the last few decades by almost any relevant measure: shares of people and jobs, median income, concentrations of wealth and poverty, labor force preparedness, fiscal health, growth expectations, etc. By these measures, many cities and older suburbs are faring poorly, compared to newer suburbs.

Central cities face a real dilemma: increasing demands for services, with a diminished ability to pay for these services. Cities contain higher percentages of needy populations, and their revenue streams are static or declining. Moreover, attempted remedies are often counterproductive, since attempts by a city to raise revenues (typically from business or non-poor residents) can provide a motivation to relocate to nearby areas. This sets the stage for a worrisome downward spiral for cities.

Central Questions

A debate has been simmering in academic and journalistic circles over the years regarding the nature of the relationship between cities and suburbs. Some call for increased regional cooperation to address central city problems and improve overall conditions in the suburbs. Others argue that suburbs no longer need central cities, since, by definition, these new "edge cities" have become self-sufficient and functionally independent.

Arguments for stronger ties typically revolve around either economic development (*greater co-*

operation to meet mutual economic needs of a metropolitan region) or equity (*fairness demands trying to offset economic inequities*). In recent years, the economic development argument has received heightened attention and focus for pragmatic as well as political reasons.

This study explores relationships between cities and suburbs, seeking answers to two questions:

1. To what extent are Bay Area cities, suburbs and geographic regions interdependent?
2. Can a compelling case be made that regional economic prosperity depends upon the economic and social health of older, central cities?

At the conclusion of this report, a menu of strategies is presented to address the issues raised. It is intended to initiate discussion and to gauge initial interest and policy direction.

The San Francisco Bay Region is Unique

In some ways, the Bay Area mimics urban and suburban trends and existing conditions throughout the nation. In other ways, Bay Area patterns are distinct and unique. Most profoundly, this region has no single largest city. This is in contrast to the typical model of one large city and surrounding environs exemplified by Chicago, Philadelphia, Seattle, or New York.

San Francisco is the historic center of the region. As one of the world's favorite cities, it is undeniably prominent from an outsider's or tourist's perspective. To Bay Area residents, the expression "the City" is commonly used and readily understood to mean "San Francisco." Nev-

ertheless, in demographic and economic terms, it is no longer predominant. Today, San Francisco is not even the most populous city; instead, San José now lays claim to that title.

Study Definitions and Data Presentation

This distinction — the lack of a single central city — has pervasive implications for this study. Issues of definition and terminology (what is meant by “city,” “central city,” and “suburb”) have been thorny. For example, San José, as the region’s most populous city, faces most of the challenges associated with large older central cities. However, its predominant low-density development pattern, and the time period when most of its growth occurred, are generally consistent with most connotations of “suburban.” Also, many older, “inner ring” suburbs face most of the urban challenges more closely associated with the “central” cities than with newer “outer ring” suburbs. *Moreover*, these older suburbs often lack the level of problem-solving resources (e.g. large redevelopment agencies or political muscle) available to the larger cities.

In addition to issues of definition, data availability and format often constrained the geographic grouping of information. For example, limited

information was available at a census-tract level. Rather than rely on a single definition of the terms “city” and “suburb,” this report presents data in four main geographic groupings, based on data availability and relevance:

1. Three largest cities —San Francisco, San José, and Oakland (3 cities) — contrasted with the rest of the region;
2. A sampling of older cities and inner-region suburbs is contrasted with the overall region or with a sampling of newer or outer-region suburbs (for example, the following cities had a population greater than 60,000 in 1960, and generally represent the “inner ring” of central cities and older suburbs: Alameda, Berkeley, Hayward, Oakland, Richmond, San Francisco, San José, San Leandro, San Mateo, and Vallejo);
3. County aggregations: San Francisco is clearly an urban county; the counties of Alameda and Contra Costa include both older urban/suburban and newer suburban areas; and the remaining counties are predominantly suburban (with limited urban areas); and finally
4. Census tract (typically used for census information and to highlight disparities *within* cities as well as between larger geographic areas).

i "On Self-Sufficiency," Louisville Courier-Journal, November 18, 1991, as quoted by Savitch et al. in "Ties that Bind" Central Cities, Suburbs, and the New Metropolitan Region," Economic Development Quarterly, Vol. 7, Number 4, November, 1993.

CHAPTER TWO

Key Themes: A Review of the Literature

"The smaller the income gap between city and suburb, the greater the economic progress for the whole metropolitan community." *David Rusk*

The suburbanization of jobs and people, the maturation of older suburban areas, the development of new suburban areas, and the decline of many urban areas have led to a debate over the relative importance of the city — and of overall city vitality — to the regional economy. This chapter summarizes recent academic and popular literature and research central to this issue.

The integration of the global marketplace has also had a profound impact on cities and suburbs. Recent research stresses that within the new global marketplace, the *region* — not an individual city, suburb, or county — is emerging as the basic economic unit. Workers are hired from a regional labor force, a regional transportation system moves people and materials, and a regional infrastructure keeps the roads, sewers, and pipelines intact. "Only regions" says Theodore Hershberg, professor of public policy and history at the University of Pennsylvania,²⁰ "have the necessary scale and diversity to compete in the global marketplace. Only regions have the asset profile capable of projecting overall strength — in sharp contrast to the profiles of individual counties or cities that lack either key infrastructure or a sufficiently skilled labor force."

The U.S. economy is increasingly characterized as a system of metropolitan-centered regional

economies that transcend municipal boundaries.²¹ These metropolitan regions will increasingly compete with one another and with urban centers throughout the world. The growing importance of the economic health and competitiveness of the region as a whole has led to research on the *nature* of the relationship between cities and suburbs — addressing this fundamental question: **What is the relationship between cities and suburbs, and is that relationship important to the economic and social viability of the region as a whole?** The academic and popular literature on this question can be summarized under three main themes.

Theme 1: Within regions, are cities and suburbs dependent, interdependent or unrelated?

There is no question that the spatial form of the metropolitan area has evolved significantly over the last 40 years. The once standard pattern of a city consisting of a major downtown, surrounded by an inner ring of lower-income residents and an outer ring of more affluent suburban residents, no longer adequately describes most U.S. metropolitan areas.

What were once bedroom suburbs have been replaced by a metropolitan area outside of the central city that is increasingly urbanized and, like the central city, is a place not only for residences but also for businesses and employment. Many people both live and work in suburbs and rarely visit the city; others commute to the city for work yet utilize the retail, business, consumer, and social services in the suburbs.

This change has led some academics and journalists to argue that suburbs are increasingly independent of central cities.ⁱⁱ They assert that with innovations in transportation and telecommunications, the relationship between cities and suburbs is increasingly competitive, and many of the traditional functions now performed by central cities have moved to or will become available in the suburbs.

Other authors insist that some central cities, because of their location, size, and infrastructure, will continue to be key financial, communication, and transportation nodes well into the twenty-first century.^{12, 51} It is agreed, however, that parts of cities, particularly older industrial areas, may not be competitive in the global economy. For example, when new technology is applied to goods production and handling industries, newer, larger, and differently designed buildings are required, as is a floor plan suitable for fiber-optic wiring. Many older urban industrial facilities cannot easily accommodate these new uses, which may lead industries to locate in suburban areas where larger sites and cheaper land are available.

Several academics have sought to better define the relationship between cities and suburbs using correlation studies:ⁱⁱⁱ

- A *win-win* relationship would exist if the prosperity of cities and suburbs is positively correlated — as when a corporate headquarters in the city leads to job growth in the suburbs.

- A *win-lose* or *zero sum* relationship would exist if the prosperity of one is tied to the decline of the other (a negative correlation) — as when a factory moves from the city to a suburb, taking the jobs and tax base with it.
- An *independent* relationship would exist if there is no correlation. The prosperity of one has no relationship to the prosperity or decline of the other — as when a thriving suburban business creates new jobs without an impact on other localities.

The framing of these studies is clear: a demonstration of positive correlation lends support to the notion that policies which aid urban areas would also aid overall regional prosperity, and therefore are in the economic interest of suburbanites. Simply put, suburbanites should care about the economic well-being of the cities for reasons of pragmatic self-interest.

A number of studies found evidence of a positive correlation between cities and suburbs — indicating a *win-win* or *interdependent* relationship. Strong positive correlations were found between central cities and suburbs when changing population, employment, and income data was examined. Generally, the findings can be summarized as follows:

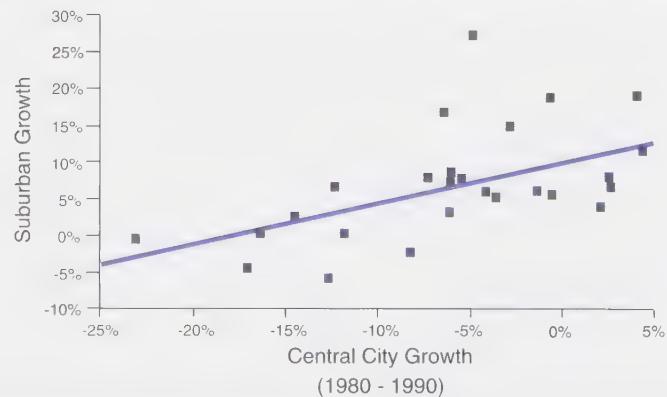
Income

- Where suburban incomes are increasing, city incomes are also increasing, and the converse is also true.

Figure 2-1
City/Suburban
Population Growth Rates

Higher rates of central city growth are correlated with higher rates of suburban population growth. Similar patterns were found for employment and income. (Data are for 28 large Northeast and Midwest MSAs.)

Source: Voith, 1992.



- In the high-growth metropolitan areas studied, no suburban area experienced income growth without corresponding growth in the central city, and the converse is also true.
- Growth in city income is related to greater suburban residential appreciation, and also to suburban population growth.

Employment

- Growth in city employment is related to growth in suburban employment, and the converse is also true.

Population

- Metropolitan areas with relatively stable populations in their urban cores tend to have relatively high population gains in their suburbs.

Researchers stress, however, that positive correlation does not imply or prove causation. For example, related prosperity or decline between a city and its suburbs might have an external cause such as overall economic growth in the western U.S. during a given time period.

Second, even if causality is proven, there are questions regarding the *direction* of the causality. For example, does inequality between cities and suburbs *cause* slow growth in a region, or does slow growth in a region *cause* greater inequality between its suburbs and central cities?⁵⁷

Nevertheless, most authors agree that while the relationship between cities and suburbs is

changing, a mutual, interactive, and interdependent relationship exists. The economic fates and fortunes of cities and suburbs are inexorably linked.

Theme 2: Do economic disparities between cities and suburbs hurt the ability of the region to compete?

Economic equality (or disparity) within a region also appears to impact overall regional economic performance. Research shows that economies do suffer when large differences exist between urban and suburban incomes — and as those differences diminish, regional growth increases. Specifically:

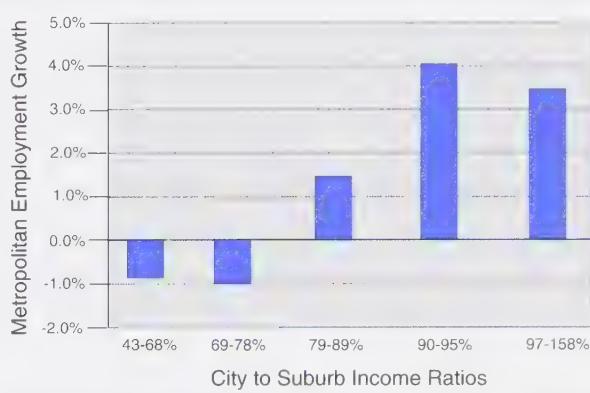
- Metropolitan areas with smaller per capita income disparities between cities and suburbs tend to be more prosperous. High employment growth tends not to occur in areas where there are high income disparities. As income disparities increase, employment growth rates decline.⁵⁸
- Metropolitan areas with growing suburbs tend to have smaller income disparities between cities and suburbs than do slow-growing regions.⁵⁹

Disparities between cities and suburbs also appear to hurt the ability of suburban areas to attract businesses, as outsiders' perceptions of the region are influenced by conditions prevailing in the urban core. The literature cites as examples the image problems in Detroit, and in Los Angeles after the 1992 riots, which resulted in ripple effects outside the affected city.

Figure 2-2
City/Suburban Income Disparities v. Metropolitan Employment Growth

Larger income disparities between central cities and suburbs are correlated with slower rates of metropolitan employment growth. (Data are for the 85 largest MSAs with central cities.)

Source: Ledebur and Barnes, 1995.



Several authors believe that neglecting the growing division of urban and suburban areas into “stark extremes of income, race, crime or safety”⁴⁷ will hurt a region’s ability to be competitive in the global marketplace. Neal Peirce, author of *Citistates*, relates how “trouble in the cities isn’t cost-free. Fail to address inner-city social problems now and the bill — in higher welfare costs, failed schools, packed prisons — will come back to haunt everyone in higher taxes.” Increased taxes will reduce the private capital available for desired investments, including business development, and the public capital available for infrastructure and other improvements.

Many authors note that the alleviation of destructive social and racial tensions (which are exacerbated by city-suburban disparities) is essential to establishing a region’s special niche in the world economy, because disparities weaken a region’s relative competitiveness.

It has also been noted that the widening inequalities between cities and suburbs will not only hurt regional growth but also undermine social cohesion and stability.

Anthony Downs¹² distilled the arguments about why suburbs should care about the fate of cities as follows:

- "creeping blight" - in many areas, symptoms of urban decline spread outward from the cities to the inner-ring suburbs and eventually to newer suburbs;
- the majority of U.S. population growth will occur among people most at risk (minority and poor) and disproportionately located in the cities, eventually creating a drag on the regional economy;
- many suburbanites depend on cities for their jobs; and
- the region is the basic unit in the global economy - success demands healthy cities and suburbs.

Theme 3: Does the city have a unique role in the economic life of the region?

A main theory underlying the city/suburban interdependence hypothesis is that cities have unique economies and specialized functions that benefit the entire region. The compact development of the city provides greater opportunities for *agglomeration economies* which are the benefits that accrue from having many businesses in close proximity.

The basic principle behind agglomeration economies is that concentration makes doing business more efficient for firms by providing access to specialized business services and by reducing the costs of face-to-face communicating. For example, corporate headquarters in cities attract business services, and as they grow, they attract and support additional related business services such as law firms and advertising agencies.

High density also facilitates the rapid exchange of information through face-to-face contacts that are especially important in innovative and rapidly changing fields. In many cases, face-to-face communication is irreplaceable: financial and management firms, medical centers, educational institutions, and government, for example, continue to find face-to-face communication valuable. Because of the value they place on face-to-face communication, proximity to the other businesses and institutions they interact with is an important element of their location decisions.

There are two counter-arguments regarding the importance of agglomeration economies:

1. Technology is eliminating the need for face-to-face interaction, and
2. While face-to-face interactions are important, suburbs are developing their own concentrations of employment and economies of agglomeration that match or exceed those of the city.

In response, there is little scholarly evidence to support the argument that technology is replacing the need for face-to-face communication.

Technology does not appear to reduce the need for face-to-face communication, or make *location* unimportant. Rather, technology appears to facilitate a sorting-out process in which certain routine functions such as back-office work can be decentralized to the suburbs, while the highly skilled or specialized activities, such as corporate headquarters, remain in the cities. Also, there are still many operations — from law to accounting, from advertising to business consulting — that require the face-to-face interaction of cities.

There is, however, considerable evidence indicating that suburbs are increasingly creating their own central business districts, which are assuming the traditional functions of downtowns, and are consequently developing their own agglomeration economies. The important question becomes: What are the *unique* agglomeration economies or other features provided by cities that are not provided in the suburbs, and how can they be supported?

Unique Contribution of Cities to the Regional Economy

Location

Scholars assert that central cities remain the most effective locations for specialized industries (such as high-fashion retail, major medical centers, and specialized wholesale suppliers) which serve thin but widely-spread markets. These businesses need the combination of a location accessible to the entire metropolitan area and the area's large market to thrive.^{27, 12}

Cities also contain nodes or central switching facilities in technological networks such as sewage purification systems, electrical power grids, and telephone networks. In many cases, these nodes were originally located in central cities, and the networks grew up around them. In addition, an entire network may have been constructed to converge in the central city as with major highway and transit systems.¹²

Housing and Public Services

Cities provide housing and related public services for low-wage workers employed in the suburbs. They also make a significant contribution to the regional housing supply, providing a broad range of housing types and affordability levels.¹²

Amenities

Central cities may provide unique amenities or features (such as historic sites, waterfronts, cultural facilities, sports arenas, and period architecture) that are valued not only by their residents but by nonresidents as well.²⁷

Diversity

In 1961, author Jane Jacobs emphasized that in addition to density, *diversity* is critical to the success of a city. Arguably, this is even more important in today's global economy. Research has shown, for example, that manufacturing companies located in diverse urban settings tend to adopt the innovation of computer-programmable automation more rapidly than companies located in other homogeneous areas.¹⁹ The findings suggest that one of the reasons why cities are important to regional economies is that their diversity encourages innovation and helps regions reinvent themselves in the face of global economic change. Also, the diversity of languages and cultures found in cities is a crucial element in distinguishing and developing the competitive advantage of the inner city in a global economy.

Summary

For the last fifteen years, academics and popular authors have been trying to answer the question: What *is* the relationship between cities and suburbs, and is that relationship important to the economic and social viability of the region as a whole?

The literature examined in this review can be summarized as follows:

With the globalization of the marketplace, the region, rather than the city or county, has become the basic, competitive economic unit. Although the relationship between cities and suburbs is changing, income, population, and employment data demonstrate that cities and suburbs are highly interdependent. While there is some disagreement as to the scope of the city-suburb relationship, there is general agreement that within the regional economy, cities play a critical role because of their central location, developed infrastructure, business density, and higher diversity.

Present regional trends show that despite the interdependence of cities and suburbs, there is increasing isolation of cities and suburbs by class, ethnicity, and race. Research suggests that ignoring growing socioeconomic disparities will hurt a region's ability to compete in the global marketplace. Furthermore, it is likely that failure to address inner-city problems will result in higher overall taxes, a decreased availability of capital for business development, and an undermining of social cohesion and stability. Chapter 7 expands upon these conclusions and identifies policy strategies.

- i Ledebur and Barnes, 1995; Peirce, 1993; Stegman and Turner, 1995; and Hershberg, 1995.
- ii Gareau, 1991; Hartshorn and Muller, 1989; and Fishman, 1987.
- iii Ledebur and Barnes, 1993; Voith, 1992 and 1994; Savitch, 1993.

CHAPTER THREE

Trends Shaping Metropolitan Form: Suburbanization and Decentralization

"If we could first know where we are, and wither we are tending, we could better judge what to do and how to do it." Abraham Lincoln

Joel Garreau, author of *Edge Cities*, succinctly summarizes three waves of U.S. suburbanization since World War II:

"First we moved our homes out past the traditional idea of what constituted a city. This was the suburbanization of America . . . after World War II.

Then we wearied of returning downtown for the necessities of life, so we moved our marketplaces out to where we lived. This was the mallng of America, especially in the 1960s and 1970s.

Today, we have moved our means of creating wealth, the essence of urbanism — our jobs — out to where most of us have lived and shopped for two generations."

This chapter reviews national and local metropolitan development patterns and explores the causes and impacts of these waves of suburbanization.

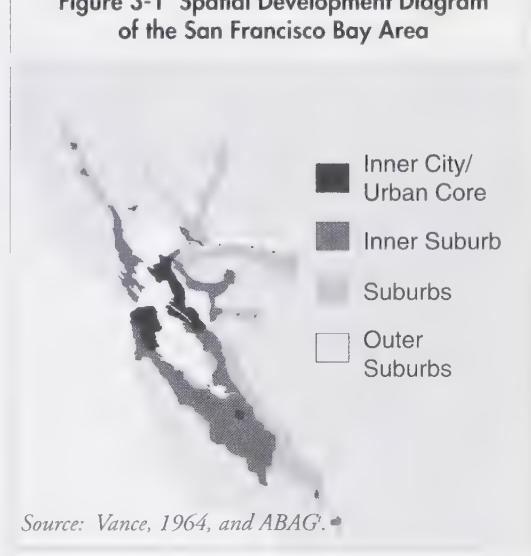
Historical Metropolitan Development

Our current metropolitan form has been shaped by a panoply of forces. Watershed influences include the invention of the automobile assembly line (1913), federally-funded home mortgage programs (beginning in 1934), Supreme Court integration decisions (*Brown v. Board of Education*, 1954), and federal funding for interstate highways (Federal Aid Highway Act, 1956).

The process of historical urban growth (within the context of technological change and other influences) in this region has been classified into four major categories (based on Vance⁶⁵ and ABAG⁶⁶):

- inner cities or urban cores (largely built out by 1900), which contain the historic core of the region, including Oakland and San Francisco;
- inner suburbs (developed between 1900 and 1940), which typically developed around the streetcar or railroad system;
- suburbs (developed between 1940 and 1980) — large portions of the Bay Area developed during this time period; most were designed to accommodate automobile use, and thus contain wide commercial arterials connecting to predominantly single family dwellings; and

**Figure 3-1 Spatial Development Diagram
of the San Francisco Bay Area**

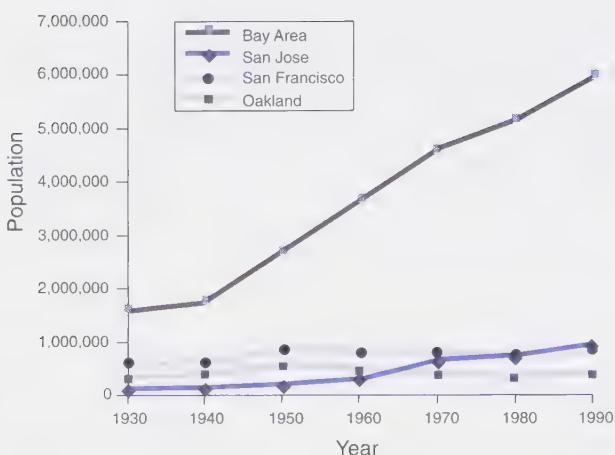


Source: Vance, 1964, and ABAG.

Figure 3.2 Historic Bay Area Population Growth

Bay Area Population increased from about 2 million after World War II to just over 6 million in 1990.

Source: U.S. Census,
1930-1990.



- outer suburbs (developed after 1980), including newer residential subdivisions and commercial, retail, and service developments which are typically not interconnected; they are often isolated semi-urban developments connected by wide arterials and highways.

Population Trends

The overall settlement pattern in the U.S. has changed profoundly since World War II. While the rural population declined slightly and the urban population increased slightly, the suburban population skyrocketed. In 1950, within metropolitan areas, 7 in 10 Americans lived in cities; by 1990, this trend had nearly reversed, and 6 in 10 lived in suburbs.

Most Americans Now Live in Large Metropolitan Areas

National settlement patterns have shifted regionally and have tended toward larger metropolitan areas. A majority of the U.S. population currently resides in metropolitan areas of one million or more. However, not all metropolitan areas have been growing in the last couple of decades. For example, half of the 25 largest metropolitan areas either declined or were stable from 1970 to 1980.

Bay Area Population Trends

How does the Bay Area population compare to national population trends? Bay Area population has burgeoned over the last five decades, from about 2 million after the second World War to nearly 6.5 million in 1995, making this the fifth most populous metropolitan area in the country.

With respect to central city population, the Bay Area picture is somewhat complex. San Francisco and Oakland populations followed the national pattern for central cities: population peaked in 1950 and declined steadily until the late 1980s. Since then, the population of both areas stabilized and has been increasing modestly.

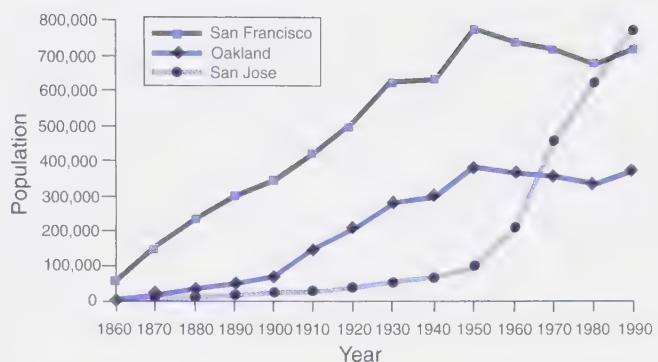
Looking at the overall regional population distribution, the traditional population centers of San Francisco and Oakland comprise a steadily decreasing share. Together, these two cities made up about half the regional total prior to 1950, declining to 30% in 1960, and to 18% in 1990.

Figure 3.3 illustrates population growth in the region's three largest cities. In contrast to the declining population witnessed by San Francisco and Oakland between 1950 and 1980, San José experienced extremely rapid population growth (some of it due to annexation). San José's population increased from roughly 95,000 in 1950 to over 780,000 in 1990.

Figure 3.3 Historic Population Growth in Three Largest Cities

San Francisco and Oakland population peaked in 1950, declined between 1950 and 1980, and has increased modestly since 1980. In contrast, San José population has increased dramatically since 1950.

Source: U.S. Census, 1860-1990.



Future population growth will continue a pattern of decentralization, as the population of major cities increases modestly, and outer areas of the region continue to develop. San Francisco, Oakland and San José combined will capture less than 13% of new regional population growth (1995 to 2015), with San José accounting for a full three-fourths of the projected increase. The counties of Contra Costa, Santa Clara and Alameda capture about 17, 16 and 13 percent, respectively, of new population growth. However, the highest *rates* of growth will occur in the outer parts of the region, in the counties of Solano (40%), Contra Costa (32%), and Sonoma (31%).

Employment Trends

As a national trend, employment decentralization has been no less striking than population decentralization. However, it succeeded the early waves of population movement and it has been influenced by different forces.

As discussed elsewhere in this report, the economy of the U.S. has shifted orientation from manufacturing to information and services. Along with changes in the *kinds* of jobs, *workplace needs* have also changed — and while the factory or industrial plant was the workplace of an industrial economy, the office has become the workplace of the information-based service economy.

Table 3.1 Changing Regional Shares: Population

	1960	1970	1980	1990	1995	2005	2015
Region	3,638,939	4,630,576	5,179,759	6,020,147	6,492,950	7,296,250	7,720,950
3 Cities Share	36.1%	33.2%	31.8%	31.2%	30.7%	30.1%	29.2%
San Francisco	20.3%	15.5%	13.1%	12.0%	11.7%	10.8%	10.3%
Oakland	10.1%	7.8%	6.6%	6.2%	6.0%	5.6%	5.3%
San José	5.6%	9.9%	12.2%	13.0%	13.0%	13.7%	13.6%

Note: 1960-1990 figures reflect city limits; 1995-2015 figures reflect ABAG study areas (spheres of influence).
Source: U.S. Census, 1960-1990 and ABAG, 1996.

Table 3.2 Changing Regional Shares: Employment

	1960	1970	1980	1990	1995	2005	2015
Region	1,235,200	1,705,000	2,537,800	3,073,000	3,028,290	3,585,640	4,021,780
3 Cities Share			38.1%	33.9%	33.5%	32.1%	30.7%
San Francisco	31.2%	25.8%	21.8%	18.4%	17.7%	16.7%	15.9%
Oakland			7.2%	5.5%	5.5%	5.0%	4.7%
San José			9.1%	10.2%	10.3%	10.3%	10.1%

Note: 1960-1990 figures reflect city limits; 1995-2015 figures reflect ABAG study areas.
Source: U.S. Census, 1960-1990 and ABAG, 1996.

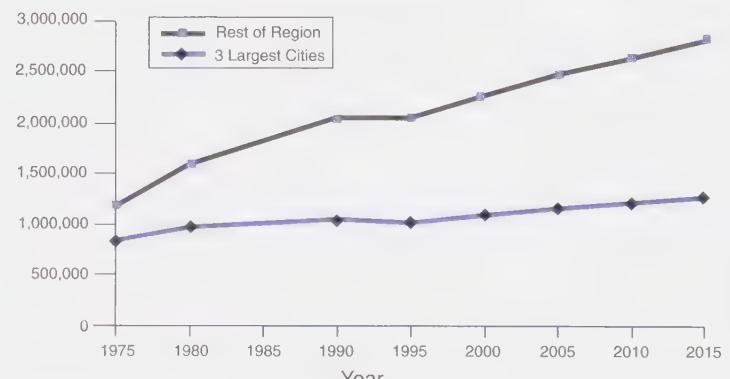
Business linkages to the city have decreased as location decisions are no longer based primarily on proximity to central city infrastructure such as ports, rail spurs and raw materials. Just as the automobile allowed a new pattern of residential development, the advent of commercial trucking contributed to a more dispersed employment pattern. In addition, recent innovations in communications and other technologies have further reduced the costs of moving people, goods, products and ideas, facilitating the spin-off of business operations to suburban locations. Moreover, population-serving businesses and activities, such as retail, have had an obvious incentive to move nearer to the new and growing population centers.

Simultaneous with economic and technological changes, a mix of "push" and "pull" factors have also been influential. Suburban areas provide a set of desirable "pull" factors to attract businesses. Proximity to labor — highly-skilled, as well as clerical and support — is primary. Suburban communities also offer lower rent and land costs; greater amenities such as landscaping; and development incentives such as relaxed zoning requirements, publicly-funded improvements and tax breaks. These suburban "pull" factors, coupled with "push" factors in many cities (such as congestion, crime, lack of middle-income housing, racial friction, declining public services, and high downtown land and rent costs) have motivated many businesses to leave the cities.

Figure 3.4
Changing Job Shares
for 3 Largest Cities
(1975 - 2015)

In 1975, the three largest cities accounted for 42% of the region's jobs. In 1990, their share was 34%; and it is expected to decline to about 31% by 2015.

Source: ABAG 1980 and 1996.



Bay Area Employment Trends

In some ways, employment decentralization in the Bay Area mirrors population trends already discussed, and in other ways it is distinct. For example, while the three largest cities' share of regional population has remained relatively constant, their share of regional employment declined (see Table 3.2). Over the past two decades, the share of Bay Area jobs in the 3 largest cities declined by about 8%. The share of the regional job market captured by the ten older "inner-ring" urban communitiesⁱ declined by a wider 11% margin.

Looking to the future, the employment decentralization pattern is expected to stabilize. ABAG projections indicate that in 2015, the three largest cities' share of regional employment will be only slightly lower than it is currently (31%).

In contrast to population trends, jobs in San Francisco have *increased* over the past three decades, and San Francisco retains its position as the top employment location in the region. Between 1960 and 1990, jobs increased from about 385,700 to 556,600. However, San Francisco's *share* of total regional jobs has declined steadily over the same period, from about 31% in 1960 to about 18% in 1990. Employment in Oakland has been fairly steady over the last twenty years in absolute terms, but the *relative share* of the regional total has declined from about 9% in 1975 to about 6% in 1995. In contrast, employment in San José rose both in absolute terms (jobs increased by about 132,000 from 1975 to 1995) and in relative terms (a 1% increase: 9% to 10%).

Trends Supporting Cities

While most U.S. central cities have faced a formidable uphill struggle over the past couple of decades, some have fared reasonably well — and a fortunate

few have prospered. Those cities that have fared well (including San Francisco) have done so by solidifying old (classic) urban functions, by successfully capturing new roles, and by pioneering new tools, often in public-private partnerships.

Key classic functions of the successful cities include serving as a marketplace and as a center for trade, commerce, and art and culture; newer roles include becoming centers in the expanding tourism and entertainment and information industries.

Broader trends which have supported urban successes and central city revitalization include demographic changes leading to more households preferring a city location, increases in travel and tourism, and the historic preservation movement.

New tools were also pioneered and applied in the redevelopment arena. Public and private entities worked together, using direct government powers and public funds as a lever to attract private investment.

Conclusions

Decentralization trends have had significant effects on many central cities, including those in the Bay Area. While new residential and employment development increasingly located in the suburbs, what was left behind in the central cities? Too often the remaining uses included older and deteriorating housing, older industrial uses and older shopping districts. Government and civic uses often remained in the cities and served as a somewhat stabilizing force. Many older central cities faced declines in population, increases in low income population, declines in new building activity (and associated revenues); and declines in retail activity (and associated sales tax). Thus, suburbanization trends left many cities with an increasing demand for services, exacerbated by a declining tax base and reduced resources for providing those services.

i Association of Bay Area Governments. *Existing Land Use in 1995: Data for Bay Area Counties and Cities*. 1996. ABAG's work in this document built upon Vance⁶⁵ but is

substantially updated and revised.

ii Alameda, Berkeley, Hayward, Oakland, Richmond, San Francisco, San José, San Leandro, San Mateo, and Vallejo.

CHAPTER FOUR

The Changing Global Economy: Impacts on Jobs and Labor Force

"The global economy has important implications for regions: develop human resources, lower the costs of goods and services, and use scarce investment capital wisely."

Theodore Hershberg

The recent integration of the global marketplace, and innovations in communications, technology and transportation, has led to profound worldwide economic restructuring. These forces have impacted the types of jobs, where they are located, and the skills needed to perform them. This chapter provides context on how global economic restructuring has impacted — and will continue to impact — cities, suburbs, and the resident labor force.

The Changing Economy

Fifty years ago, the economy was *municipal* and cities were *industrial*. Cities were dynamic urban centers teeming with factories and plants. In 1940, a majority of the San Francisco Bay Area's population both lived and worked in either Alameda or San Francisco County.³

Today, however, the economy is increasingly *global*, based on high technology and information, and is extremely competitive. In the Bay Area, the economy is concentrated in the information-based segment of the global economy — business services, government and FIRE (finance, insurance and real estate). Cities and suburbs now form an interdependent, geographically-dispersed regional economy, each with distinct functions.

Figure 4-1 National Trends: Manufacturing Eclipsed by Government, Lower-Paying Retail and Service Jobs



Manufacturing jobs began to decline in 1970 while jobs in government and retail increased. Service jobs increased dramatically, eclipsing the other sectors in the early 1970s — demonstrating the shift from an industrial-based to a service-based economy.

Source: Donald Bartlett and James Steele, Andrews and McMeel, 1992.

Impacts on Cities

Many traditional manufacturing and defense-related industries in older Bay Area cities have either downsized, moved, or closed — leaving in their wake unemployment and corridors of underutilized land along waterfronts and rail lines.

As blue-collar, defense, and manufacturing jobs have declined, jobs in information and business services have emerged, requiring different skills and levels of education (see Figure 4-1). These new jobs are concentrated in the cities' downtowns and include both professional, *high-end jobs* that are critical to the information economy (such as financial management, computer services, and advertising), and *low end jobs* (such as janitorial and food and hotel services). There are fewer middle-income jobs associated with these sectors of the economy. Middle-income wages are largely connected with traditional or high technology manufacturing — and those jobs have moved either to suburban locations or to other areas or countries with lower labor costs.^{37, 59, 2}

Impacts on Suburbs

Suburbs, too, have experienced tremendous change as they have transformed from bedroom communities to sprawling residential and commercial centers. Jobs are no longer tied solely to central cities, as changes in communication, transportation, and other technologies have made proximity to raw materials, ports and rail lines less important.⁵⁹

Suburban areas now house more middle and upper income jobs, such as high technology manufacturing and corporate back-office operations (e.g., accounting, check processing, payroll, data processing, and information management).³⁷

Labor Force Implications

Wages

Although the number of new jobs in San Francisco between 1980 and 1990 grew for people with a high school education or less, the constant dollar median wages dropped by 13% — while wages for those with a graduate education increased by 34%.^{37, 20}

There are also income disparities between the resident labor force and the commuter labor force; commuters earn significantly higher average wages than city resident workers.

The decline in real wages is particularly startling for immigrants. For example, the real wages of Asian immigrant women garment-industry workers in San Francisco declined 44% over the last decade. In contrast, the real wages of lawyers, judges and other professionals (disproportionately held by Non-Hispanic White, native born, males) increased by 50% during the same period.²

Racial Disparities in the Labor Force

There are also considerable racial disparities within the work force.² Between 1980 and 1990, for example, minority participation in the Alameda County work force increased while Non-Hispanic White participation decreased. However Non-Hispanic Whites dominated higher-paying, higher-skill jobs, holding almost 68% of all executive, administrative and managerial positions. Minorities, representing 42% of the work force, held just 32% of those positions.

Minorities also tend to be overrepresented in service sector positions. For example, minorities represent about 42% of Alameda County's work force, they occupy almost 60% of service sector jobs. These jobs are often lower-paying and less stable, yet represent the fastest growing segment of the labor force.

Location of New Jobs

In the Bay Area, the area *outside* of the 3 largest cities is also projected to acquire the vast majority of new jobs (see Figure 4-2). For example, new jobs in the service sector will be available outside of the three largest cities by more than 3 to 1; new jobs in the manufacturing and wholesale sector (combined) will be available by more than 8 to 1; and new jobs in the retail sector will be available by more than 7 to 1.

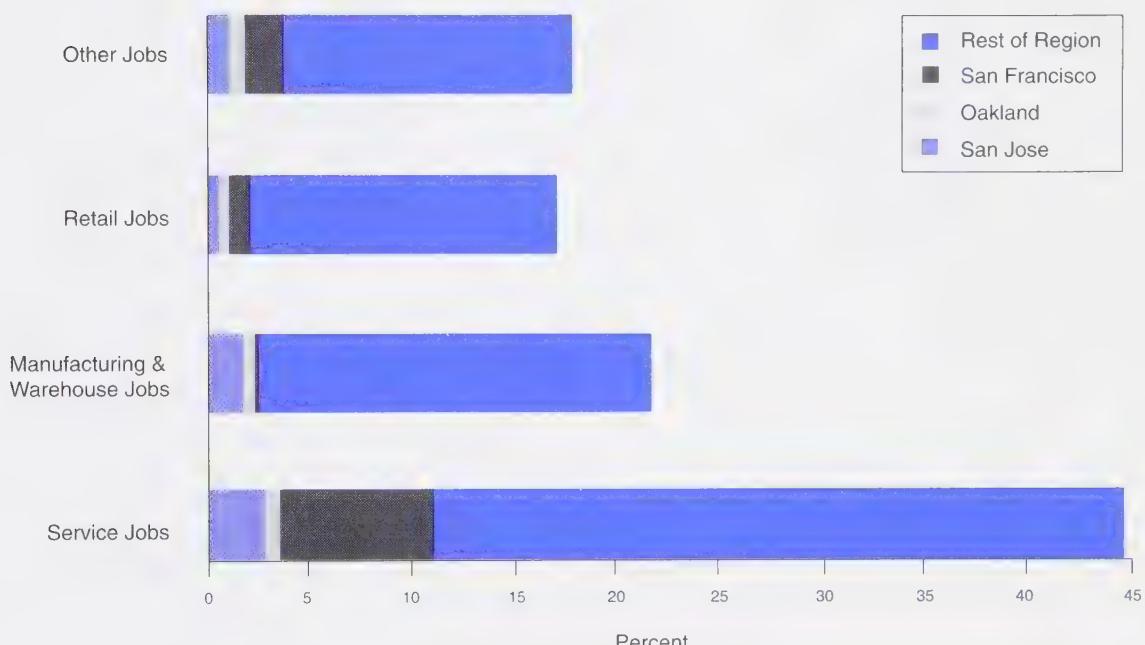
Occupations

The fastest growing sector in the national, as well as Bay Area, economy is *services*. Between 1995

and 2015, 44% of new jobs will be in this sector. Jobs in this sector tend to be either *high-paying* (engineering, accounting, motion pictures, law, or health services) or *low-paying* (hotel, personal, and food preparation services). There are fewer middle income jobs in the service sector, and these tend to be located in suburban areas and linked to the information economy.

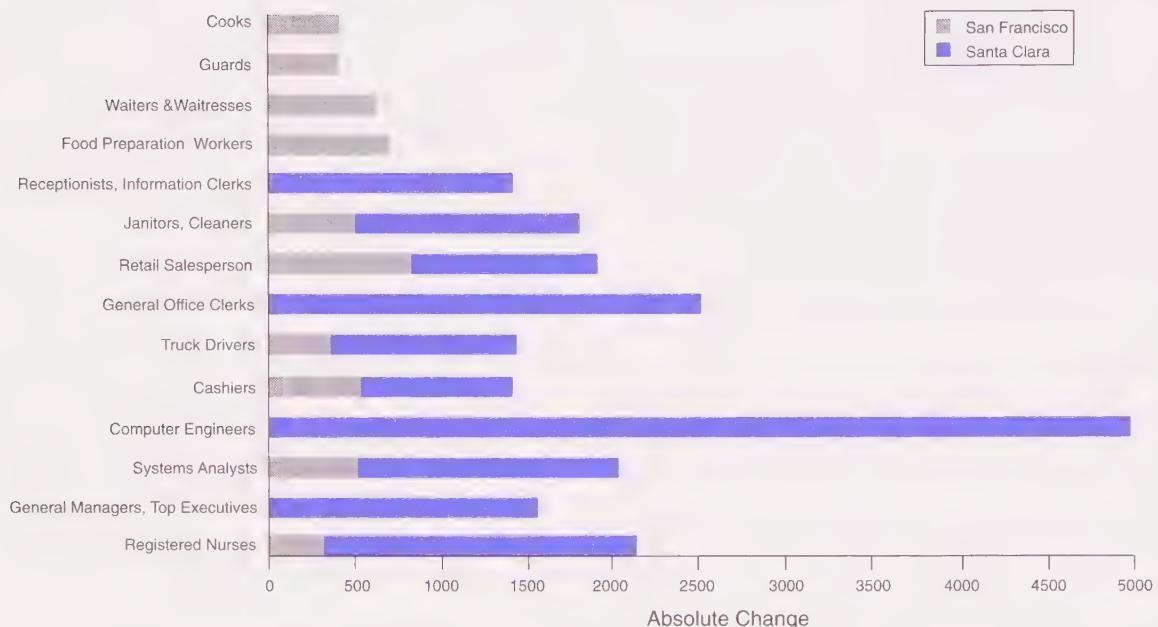
Suburban areas dominate the region in the absolute number of new jobs across all wage categories. However, a greater variety of new low-paying jobs is concentrated in the cities, while the suburbs have a greater variety of new medium- and high-paying jobs.

Figure 4-2 Share of New Jobs, Three Cities and Rest of Region (1995-2015)



Most new Bay Area jobs will be located outside of the three largest cities (San Francisco, Oakland, and San José). Also, job growth in the service sector will outpace other sectors. *Source: ABAG, 1996.*

**Figure 4-3 Top Ten Occupations with the Greatest Absolute Job Growth
San Francisco and Santa Clara Counties (1996-1999)**



San Francisco occupations with the greatest absolute job growth tend to be in lower-wage service jobs, while in Santa Clara County, the top ten tend to be in medium- and higher-wage service jobs. *Source: ABAG, 1996.*

New Jobs in the Central Cities

Service-producing industries will continue to account for most new jobs in each of the Bay Area's three central cities (see Table 4.1 and Figure 4-4).

ABAG projects that 69% of new jobs in San Francisco over the next 20 years will be in the service sector. This is indicative of San Francisco's role as a business center and "global city." New jobs in Oakland, however, will be concentrated in

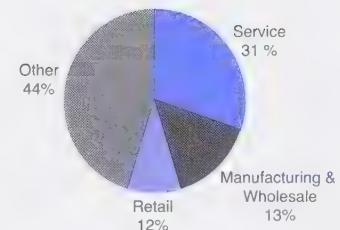
such sectors as government; transportation, communication and utilities; and FIRE. This mirrors Oakland's role as a port city as well as a government and business center. New jobs in San José tend to follow the pattern identified for suburban areas. Service jobs dominate as well as manufacturing and wholesale (combined), reflecting San José's leadership in high tech manufacturing and its position as the South Bay's business center.

Table 4.1 New Jobs by Sector (1995-2015)

	San José	Oakland	San Francisco	Rest of Region
Service Jobs	49%	31%	69%	41%
Manufacturing and Wholesale Jobs	26%	13%	4%	23%
Retail Jobs	10%	12%	10%	18%
Other Jobs	15%	44%	17%	17%
Total	100%	100%	100%	100%

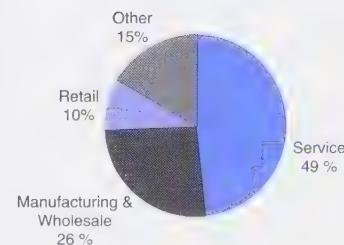
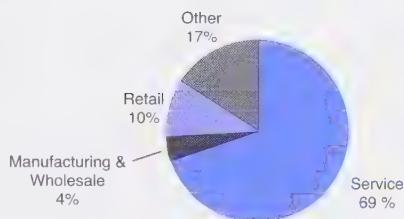
Source: ABAG, 1996.

**Figure 4-4 New Jobs by Sector
(1995-2015)**



Region
(*Excluding Oakland, San Francisco, and San José*)

Oakland



San Francisco

San José

Most new jobs in San Francisco will be in the service sector, reflecting its role as a business center and "global city." The largest percent of new jobs in Oakland will be in the "other" category, which includes government, transportation, communication and utilities, and FIRE — reflecting Oakland's role as a port city and government and business center. The largest percent of new jobs in San José will be in the service sector, reflecting its role as a business center for Silicon Valley and the South Bay. *Source: ABAG, 1996.*

Conclusions

While the San Francisco Bay Area is prosperous and vital, its overall economic success disguises the fact that not everyone benefits equally from global economic change.

Many metropolitan areas have experienced economic decline or stagnation in part because they have been unable to adapt to the new global economy. Regions that have successfully adapted (including the Bay Area) have done so because they are concentrated in many of the functions critical to the global economy.³⁷

Many cities (especially those closely linked to the global economy) are becoming increasingly divided along racial, economic, and geographic lines. The decline in manufacturing jobs, along with previously cited trends, led middle-income people to leave the central cities for suburban locations, leaving only higher income people, and low-income (primarily minority) people who cannot afford to move out — exacerbating the racial and class bifurcation within cities.

The segregation of low-income minorities in cities, combined with the continuing decentralization of employment to the suburbs, present a strong case for constructing an economic development strategy that integrates the needs of cities and suburbs into the region as a whole.

Efforts to Address Economic Development Issues

Much groundbreaking work has been done recently to help regions and cities address economic development issues. The Bay Area Economic Forum (BAEF)⁵, for example, has assessed the Bay

Area's comparative advantage for knowledge and employment-based industries. They identified eleven knowledge and employment-based industry clusters in which the Bay Area has a comparative advantage, including computers and electronics, telecommunications, multimedia, movie and TV production, biosciences, banking and finance, environmental technology, tourism, business services, retail trade, and wholesale trade. This work is an important step in formulating a strategic economic development action plan for the region.

The City of San Francisco's Planning Department, the San Francisco Urban Institute, the Bay Area Community Outreach Partnership Center, and other local actors have also done important work in helping cities and regions address this issue. Researchers (LeGates, Potepan, and Barbourⁱ in particular) have developed an approach to help local decision makers and planners determine which jobs offer the best prospects for hard-to-employ people within the context of opportunities and obstacles presented by the global economy. They contend that city economic development resources could be better targeted to specific sectors of the private economy in which the city not only has a competitive advantage, but which are likely to grow in absolute and percentage terms, and which provide entry-level jobs where wages are high relative to educational attainment and/or job skills.

Efforts such as these provide the tools to help policy makers craft an integrated economic development plan for the region — and provide for the specific needs of cities and suburbs. A more detailed discussion of potential follow-on work is presented in Chapter 7.

ⁱ Bay Area Outreach Partnership Center, Publication #10. Institute of Urban and Regional Planning, U.C. Berkeley.

CHAPTER FIVE

Metropolitan Vitality: Urban/Suburban Distinctions

"Do the interests of cities and suburbs coincide? . . . Do suburbs need cities?"

Richard Voith

Are Bay Area urban and suburban areas on different trajectories, with a sunny future for the suburbs and a bleak one for cities and older suburbs? Various measures are compared and contrasted to explore this question, including: education, crime, municipal finance, income and poverty, race/ethnicity, and civic participation. Taken together, these variables suggest areas of strength and some areas of concern for regional vitality.

Education

The proportion of the Bay Area adult population with an advanced degree surpasses that of all other

regions in California, major regions throughout the country, and the national average.

The relative distribution of educational attainment for the Bay Area, California, and the United States is shown in Figure 5-1. In 1990, about 31% of the Bay Area adult (over age 25) population had attained either a bachelor's, graduate, or professional degree. By comparison, the corresponding attainment level for California was 23% and for the U.S. was 20%.

In recent years, the salary premium associated with higher levels of education has risen significantly, as has the "pay penalty" associated with lower levels of education. For example, over the span of one decade (1980-1990), the median wage of a San Francisco worker with a graduate educa-

Figure 5-1
Educational
Attainment (1990)

Relative distribution of educational attainment for adult population (over age 25). The Bay Area boasts high attainment; the 3 cities have slightly bigger shares of both more highly and less highly educated.

Note: 3 cities = San Francisco, San José and Oakland.

Source: U.S. Census, 1990; Bay Area Economic Forum, 1996; and ABAG staff analysis.

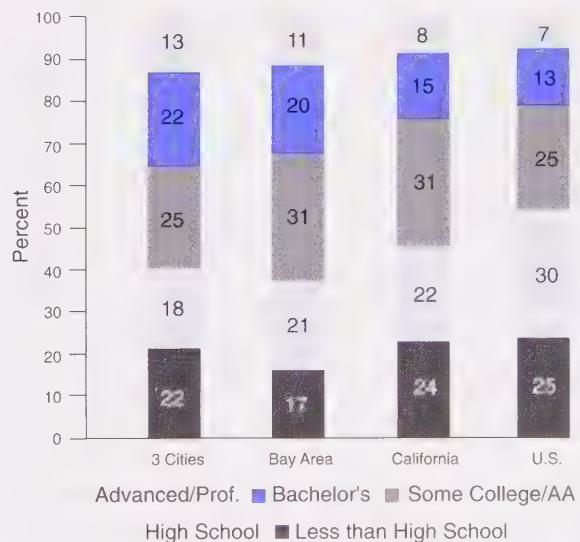
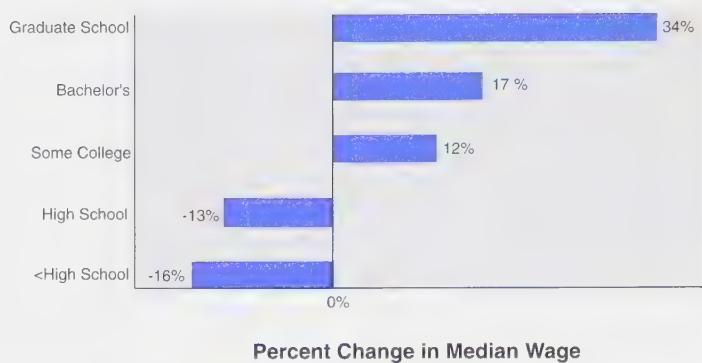


Figure 5-2
Pay "Premium/Penalty" for Education, San Francisco Work Force (1980-1990)

This chart illustrates changing salary expectations, based on education: a pay "premium" for workers with advanced education; and a pay "penalty" for workers with a high school diploma or less.

Source: LeGates, Potepan, and Barbour, 1996.



tion rose by 34%. This is in stark contrast to the declining wage expectation for workers with only a high school degree (13% decline) and those with no high school degree (16% decline). (See Figure 5-2.) Moreover, this gap will likely widen, since education is key to securing new jobs — which tend to demand higher basic communication skills than in the past — both the information-based high-paying jobs as well as the new entry-level jobs.

While the cities of San Francisco, Oakland, and San José show similar, but slightly higher, attainment levels compared to the regional average

for advanced degrees, they also have a higher percentage of population with less than a high school diploma. The disparity at the bottom end points to a challenge for urban areas which have higher numbers of hard-to-employ people.

Primary and Secondary School Performance

School performance is also a critical issue for urban areas. While the high educational attainment of Bay Area adults is compelling, it includes many people who have relocated to the Bay Area from

Figure 5-3 SAT Scores

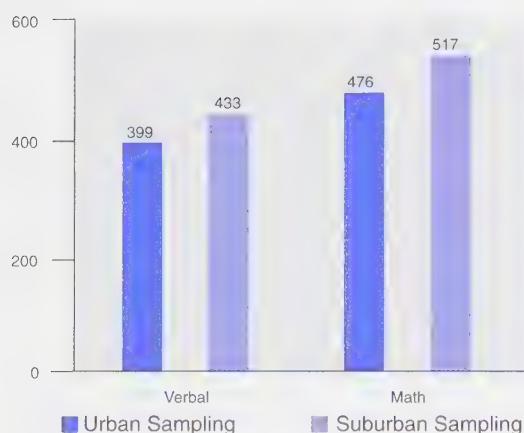
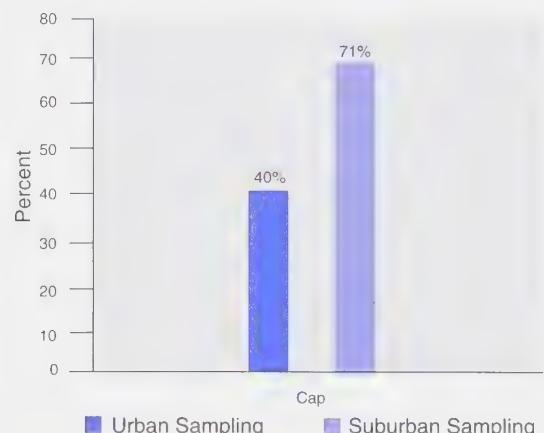


Figure 5-4 CAP - Eighth Grade Reading Scores



Note: "Urban" = Alameda, Berkeley, Hayward, Oakland, Richmond, San Francisco, San José, San Leandro, Vallejo
 "Suburban" = Concord, Dublin, Fremont, Napa, Novato, Pleasanton, San Ramon, Santa Rosa, Vacaville, Walnut Creek.
 Source: Upclose Publishing, 1991 and ABAG staff analysis.

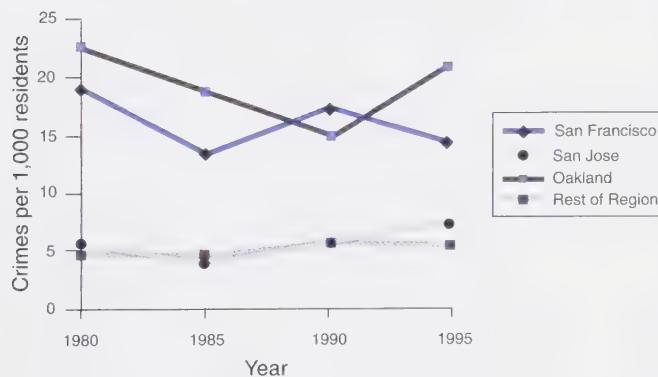
elsewhere. While these highly-educated individuals contribute immeasurably to the labor force, primary and secondary school performance is the gauge for *future* labor force preparedness.

A comparative review of Scholastic Aptitude Test (SAT) scores for a sampling of urban and suburban communities reveals: unweighted average urban scores that are 34 points lower on verbal and 41 points lower on math (see Figure 5-3). Disparities in eighth grade reading California Assessment Program (CAP) scores for the same communities were more significant: the (unweighted) average ranking for the urban communities was a CAP percentile of 40, compared to 71 for the suburban communities (Figure 5-4).

Summary

High educational attainment is a significant strength for the Bay Area in a competitive global environment. However, disparities do exist between urban and suburban areas, especially for the percentage of population without a high school diploma and in school performance rankings. These distinctions raise issues of future labor force preparedness, and if they persist, will continue to drive suburban relocation for households with school-age children, dampening overall prospects for urban economic vitality.

Figure 5.5 Violent Crime (1980-1995)



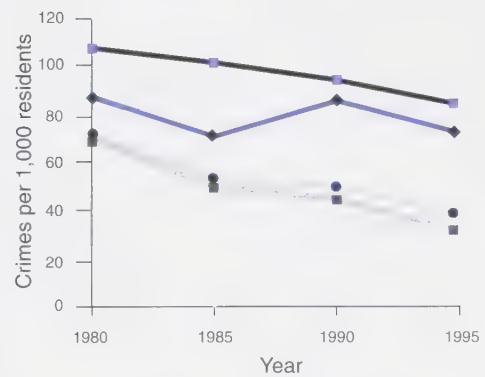
Crime

Crime, and the *fear* of crime, is currently a prominent topic in public and political discourse at all levels (national, state and local). The focus has been particularly acute in recent years. Crime is relevant to this study because higher crime rates are often linked to urban life, while a perception of lower crime rates and greater security is often cited as a strong motivating factor behind suburban location decisions.

For the last two years, Bay Area Poll⁷ respondents identified crime as the number one problem facing the region. Different geographic response patterns for San Francisco versus the four-county North Bay subregion (Marin, Napa, Solano and Sonoma) are interesting. San Francisco residents were much less likely to identify crime as the top problemⁱ (26% for San Francisco, compared to 40% for the North Bay). They were also much less likely to feel that crime is worse this year compared to last year (57% for San Francisco, compared to 80% for the North Bay).

Public perceptions about crime do not always coincide with crime statistics. Violent and property (nonviolent) crime statistics were reviewed for the region, Bay Area counties, and the 3 largest cities at five year intervals between 1980 and 1995. Overall, there has been a downward trend in property crime, relative stability in violent crime, and

Figure 5.6 Property Crime (1980-1995)



Notes: Violent Crime includes homicide, rape, robbery, and aggravated assault. Property Crime includes burglary, motor vehicle theft, and larceny-theft. Offenses by reporting agency. Source: California Department of Justice, 1980-1995.

higher overall crime rates in the 3 cities compared to the rest of the region.

Between 1980 and 1995, regional per capita property crimes decreased 35% from about 72 per 1,000 residents to 47 per 1,000 residents. In general, all counties showed downward trends over time. Violent crime in the region, however, varied slightly, from about 7 to 8 incidents per 1,000 residents.

A focus on the individual city-level crime statistics for San Francisco, Oakland and San José reveals trend lines similar to the regional averages. However, San Francisco and Oakland statistics show higher crime rates than for the region as a whole, while San José statistics approximate regional averages.

Race/Ethnicity

Overall Region

The Bay Area boasts a high level of ethnic diversity. For example, San Francisco ranks fourth in the nation (among large cities) for foreign-born population (34%). In particular, the Bay Area has a relatively high percentage of Asian and Pacific Islanders, outranked only by Honolulu.

Table 5.1 shows both recent and future overall regional change in population shares by racial/ethnic groups. As shown, the White, Non-Hispanic share declined by about 8% between 1980 and 1990; the Asian-Pacific Islander and Hispanic shares rose about 6% and 2%, respectively, and the African-American share stayed constant. These are fairly large proportional shifts in a population of some 6 million, over a single decade.

However the projected *future* changes in racial/ethnic composition are just as dramatic. Between 1990 and 2015, the Asian-Pacific Islander population is projected to increase by about 690,000, and the Hispanic population by about 680,000. This compares to projected increases of only 170,000 for White, Non-Hispanic and 160,000 for African-American. Thus, common connotations of the terms “majority” and “minority” will no longer hold, as the White, Non-Hispanic population drops below a majority (48%) by the year 2015.

Table 5.1 Population Shares by Race/Ethnic Group, San Francisco Bay Region (1980, 1990, 2015)

Race/Ethnic Group	1980	1990	2015
Hispanic	12%	14%	21%
Asian, Pacific Islander	9%	15%	22%
African-American	9%	9%	9%
White, Non-Hispanic	69%	61%	48%
Other	6%	8%	7%

Notes: Totals are not additive. Hispanic is an ethnic definition. All others are racial classifications and do not contain the Hispanic subgroup. Source: U.S. Census, 1980-1990 and ABAG, 1996.

Table 5.2 Population Growth by Race/Ethnic Group, San Francisco Bay Region (1990-2015)

Race/Ethnic Group	Population Increase
Hispanic	680,000
Asian, Pacific Islander	690,000
African-American	160,000
White, Non-Hispanic	170,000
Other	10,000
1990-2015 Population Growth	1,710,000

Note: Hispanic is an ethnic definition. All others are racial classifications and do not contain the Hispanic subgroup. Source: ABAG, 1996.

Focus on 3 Cities

While there will be no majority racial/ethnic group for the region as a whole by 2015, a focus on the 3 largest cities (San José, San Francisco, and Oakland) shows that basic reality is already true in the major cities. So while the 3 cities’ relative share of the regional population has remained nearly constant, the racial/ethnic composition has changed significantly.

Table 5.3 shows the relative shares by race and ethnic group for 1980 and 1990 for the 3 cities,

compared to the remainder of the region. There are significant differences: in 1990, the 3 cities had higher shares of Asian-Pacific Islander (10% higher), African-American (9%), and Hispanic (6%), and a 25% lower share of White, Non-Hispanic.

Table 5.3 Population Shares by Race/Ethnic Group, San Francisco Bay Region (1980 and 1990)

Race/Ethnic Group	1980		1990	
	3 Cities	Rest of Region	3 Cities	Rest of Region
Hispanic	16%	11%	19%	13%
Asian, Pacific Islander	14%	7%	22%	12%
African-American	17%	5%	15%	6%
White, Non-Hispanic	53%	77%	44%	69%
Other	9%	5%	10%	6%

Notes: Totals are not additive. 3 Cities = San José, San Francisco, and Oakland. Hispanic is an ethnic definition. All others are racial classifications and do not contain the Hispanic subgroup. *Source: ABAG, 1996.*

Challenges and Opportunities for Urban Areas

The fact that urban areas have relatively higher levels of ethnic diversity and foreign-born residents presents both challenges and opportunities. Challenges include traditionally higher rates of poverty and unemployment, and relatively lower rates of educational attainment, for nonwhite populations. Among other issues, this means higher demands for social services, issues for schools regarding the number of students with a multiplicity of first languages other than English, and a larger segment of hard-to-employ people in the local labor force.

Opportunities include diversity as a catalyst for innovation and an exchange of ideas, and potential advantages in an environment of global competition, based on shared language, heritage, and customs and on continuing contacts with friends, family, and business associates abroad. Of particular note in the Bay Area is a comparative advantage for potential links to the Pacific Rim.

In 1961, Jane Jacobs wrote on what contributes to the success of a city. Her second criterion after density was diversity. Arguably, diversity represents an even stronger potential force for success today than 35 years ago, and the cities are on the cutting edge of a new pluralistic society.

Income

Issues germane to this study include relative overall household income and poverty rates, and geographic disparities between and within communities (such as pockets of poverty).

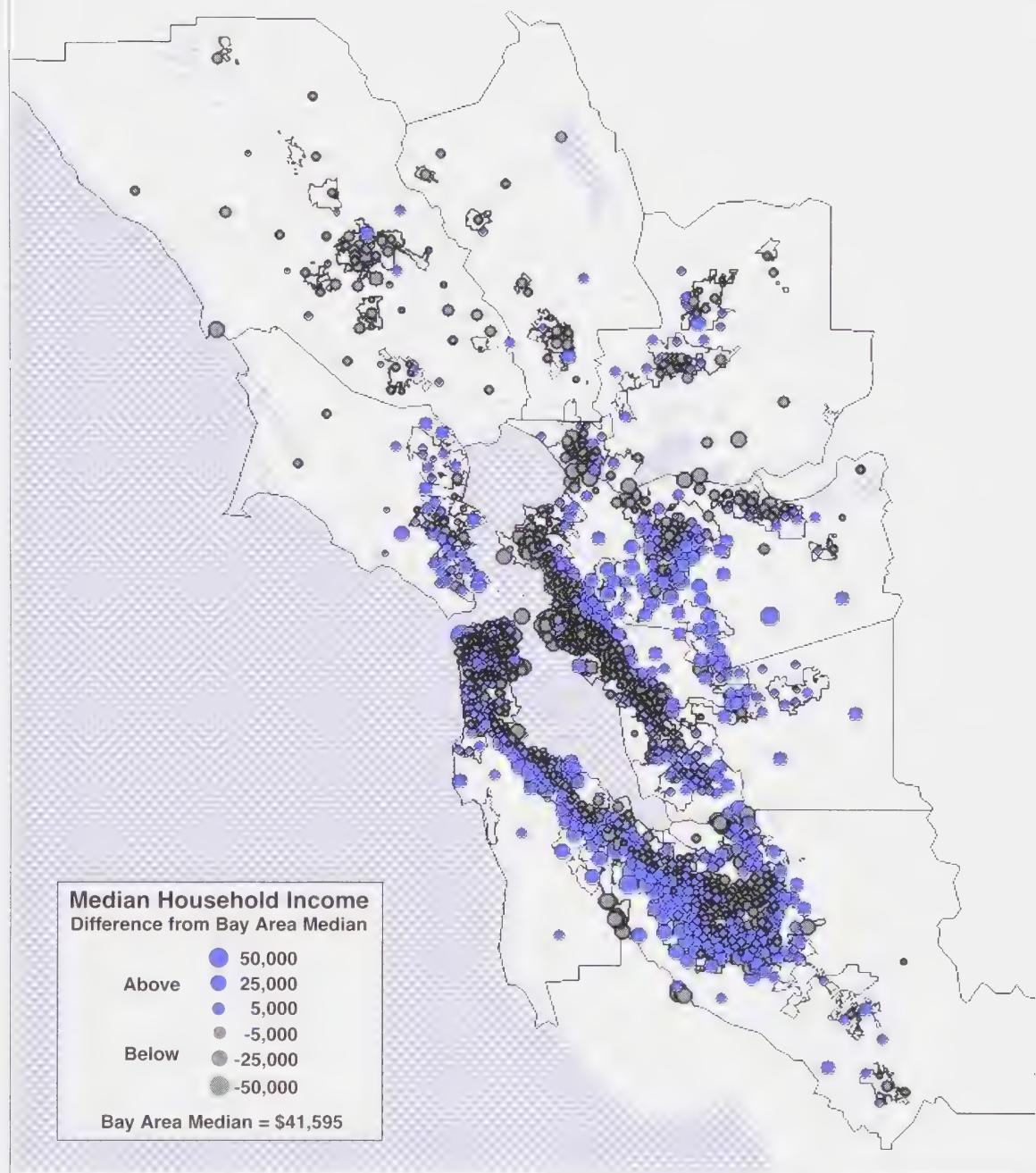
Median Household Income

In 1989, the Bay Area median household income stood at \$41,600. Bay Area income is high relative to comparable regions (second only to New York), and has also been fast-growing. For example, between 1989 and 1995, the average Bay Area household income rose by 22.6%.^{44,ii}

Household incomes, however, are not evenly distributed throughout the region. Figure 5-7 shows both absolute and relative variations in average census tract median incomes (above and below the median). As illustrated, there is a pattern of lower median incomes in the 3 cities and in the "inner ring" and older suburbs hugging the Bay. Concentrated areas of higher median incomes are found along the Interstate 280 corridor in San Mateo and Santa Clara counties, along the Highway 24 and Interstate 680 corridors and in the Berkeley/Oakland hills. Median household incomes in San Francisco and Oakland (\$33,400 and \$27,100, respectively for 1989) are significantly lower than the regional median. The San José median, however, at \$46,200, is above the regional median.

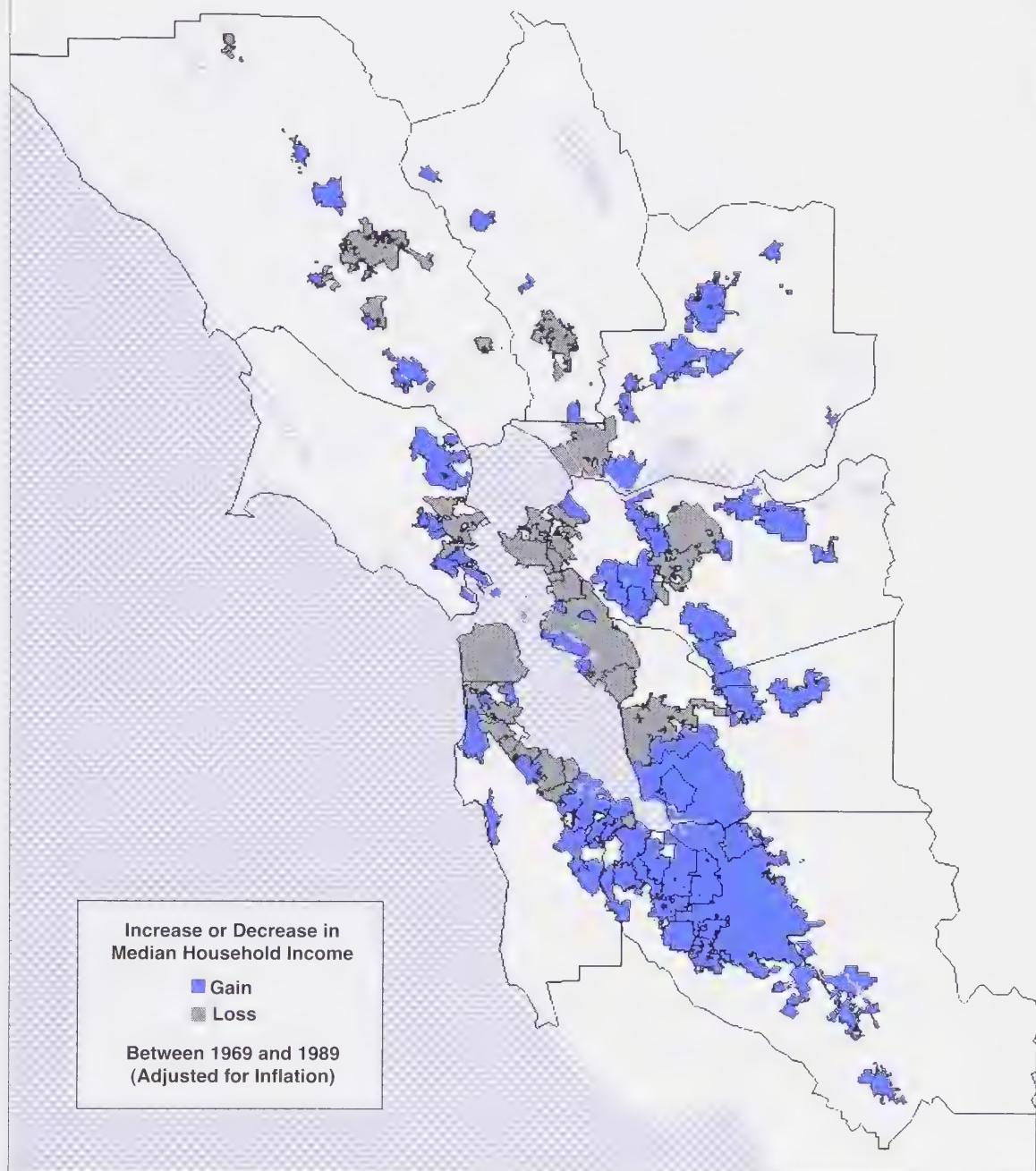
Median household incomes rose in about 70% of all Bay Area cities between 1969 and 1989 (adjusted for inflation). However, the areas of income decline are concentrated in the older cities and inner-ring suburbs. Figure 5-8 highlights locations of citywide increase and decrease in median household incomes for this period.

Figure 5-7 Bay Area Poverty and Affluence:
Areas Above and Below Median Income (1989)



Source: U.S. Census, 1990.

**Figure 5-8 Income Change:
Areas of Gain and Loss (1969-1989)**



Source: U.S. Census, 1970 and 1990.

Poverty

Poverty rates for both the general population and for children rose in the early 1990s. This was not unique to the Bay Area and, in fact, poverty rates in this region are generally lower than average for California, the U.S. and for comparable large metropolitan regions (this is partly due to higher overall incomes and cost of living). The deep recession of the early 1990s, combined with military base closures and defense cutbacks were clearly influential, and hit California and the Bay Area hard. However, recent statistics indicate these trends may be reversing.

For example, U.S. median household income rose by 2.7% and the poverty rate decreased from 14.5% to 13.8% for 1995, compared to 1994.ⁱⁱⁱ However, recent gains have not made up for earlier declines. For example, the percentage of Bay Area children living in poverty rose by nearly 4% between 1989 and 1994 (11.5% to 15.3%).⁸ Also, poverty rates and the concentration of people living in poverty are much higher in the urban areas.

Figure 5-9 illustrates the *concentration* of persons living in poverty in 1989. High poverty concentrations are found in the major cities and in the older inner-ring suburbs surrounding the Bay. All but two of the communities with the ten highest poverty rates are located in this inner ring. Poverty rates in San Francisco and Oakland (12.7% and 18.8%, respectively) were significantly higher than the regional average (8.5%). San José had a 9.3% poverty rate.

In 1989, seventy-seven Bay Area census tracts had a poverty rate greater than 25%. Of these, roughly two-thirds were in the 3 largest cities.

Race and Poverty

Correlations exist between race and poverty. For example, the 1989 Bay Area average poverty rates were 6.0% for White, Non-Hispanic; 13.9% for Hispanics; and 19.9% for African-Americans. In addition, poverty rates across all racial and ethnic groups are higher in urban areas.

Summary

Income disparities between central city and older suburban areas are significant. San José, however, is anomalous as one of the three largest cities with a higher median household income than the regional average. Another distinction between urban and suburban areas is the level of disparity *within* communities. Income maps highlight proximate affluence and poverty in major cities like San Francisco and Oakland (see Figure 5-10). Suburban and rural areas, in contrast, tend to be more homogenous.

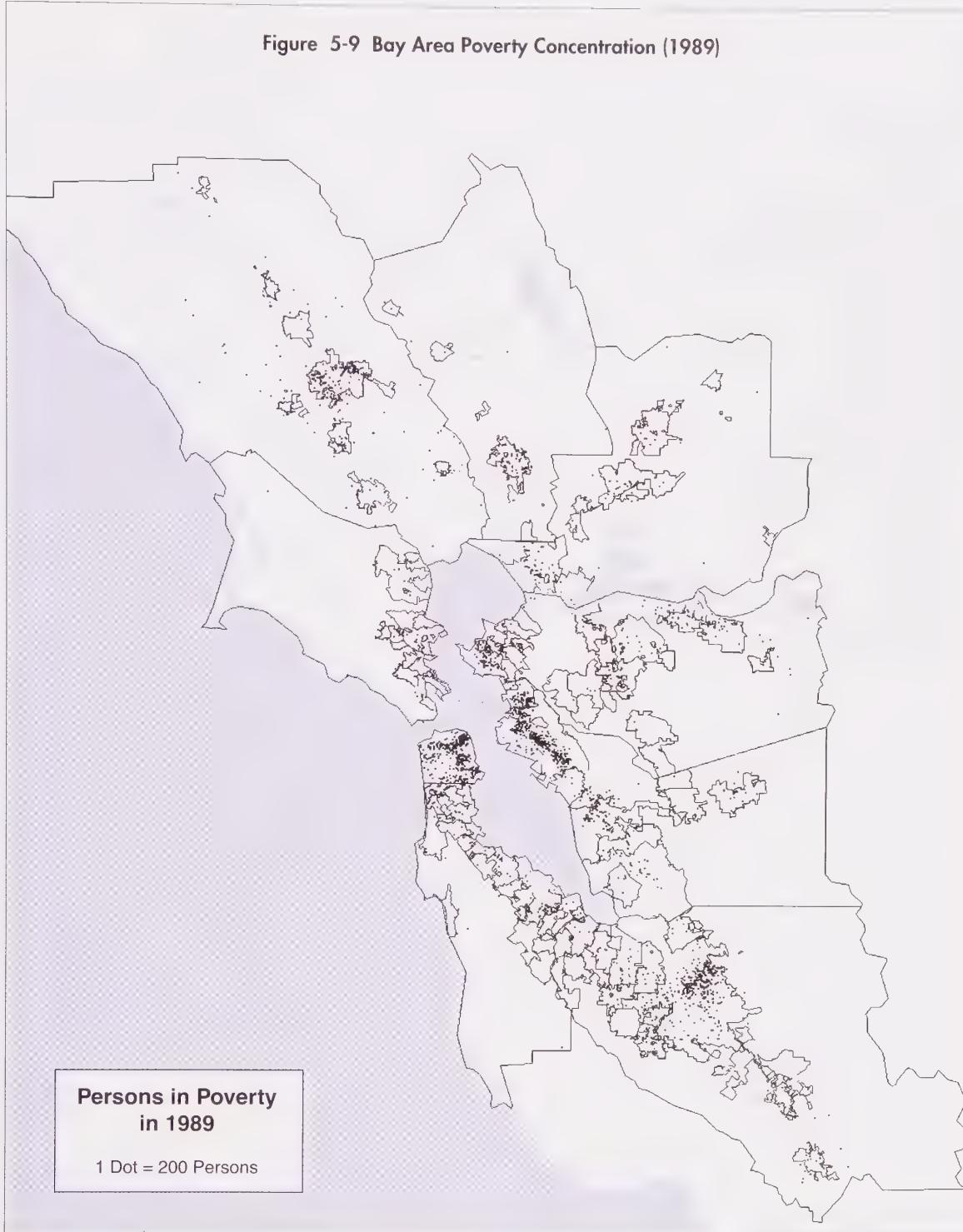
Municipal Finance

Local government expenditures for a sampling of urban and suburban communities were reviewed to explore overall per capita taxes; overall per capita expenditures; and per capita expenditures in different categories (e.g., capital investment, versus social welfare, versus parks and recreation).

Table 5.4 presents a comparative summary based on data for central cities and older suburbs contrasted with a sampling of newer suburban communities. Both per capita taxes and municipal expenditures were higher for the urban communities. "Urban" taxes were about 32% higher for the communities sampled. Average per capita urban expenditures were about 53% higher than for the suburban areas (San Francisco was excluded to avoid possible distortion since it is both a city and a county).

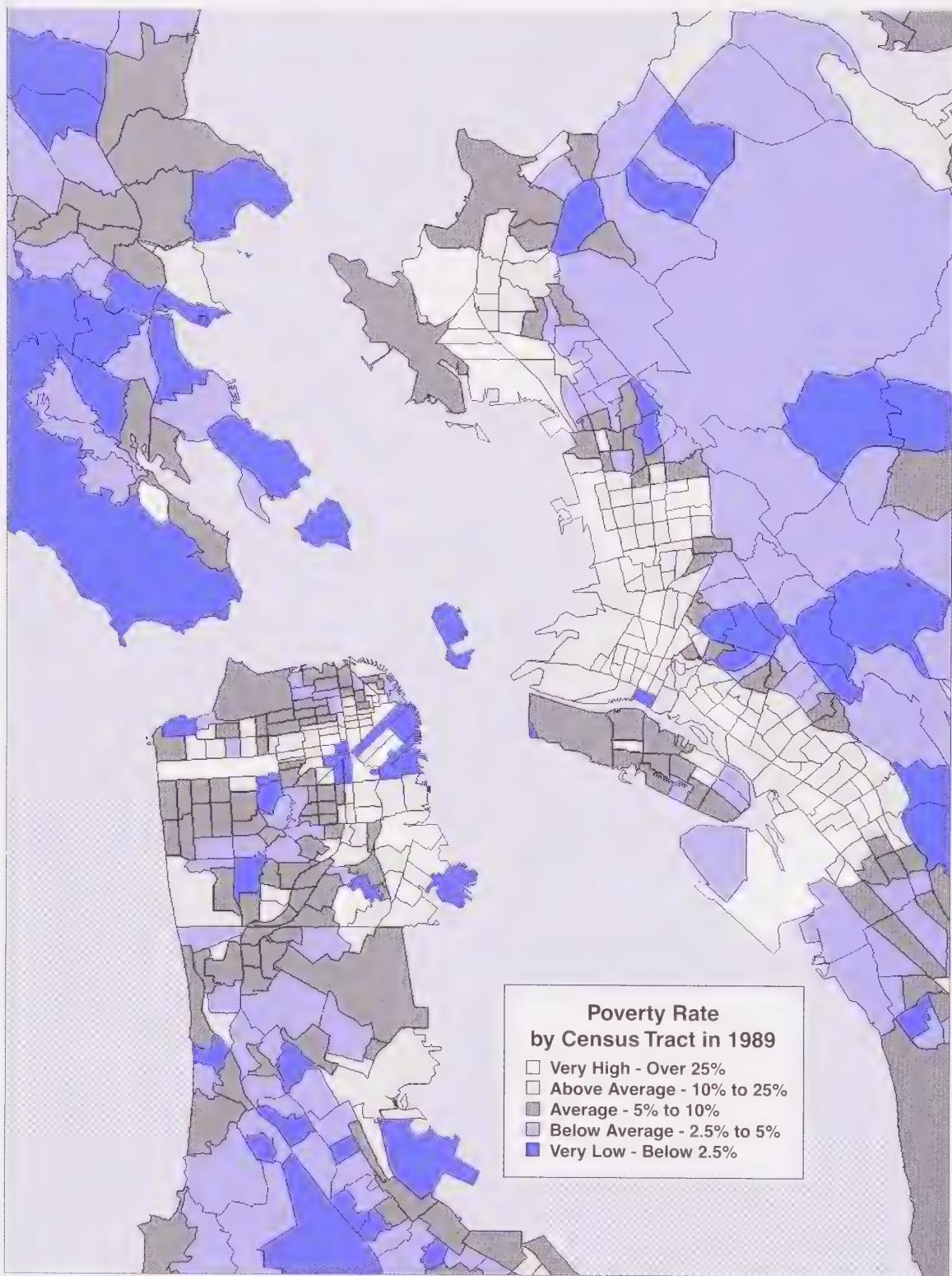
A comparison of the *relative* share by expenditure category was performed to examine whether different patterns emerge for urban and suburban municipal expenditures. The question was whether urban expenditures leaned more to categories like public safety, whereas suburban areas might be able to spend more on desirable "amenities" like culture and leisure or higher capital investment. However, this review did not reveal strong differences between the samples. The suburban areas did spend about 5% more of their total expenditures on culture and leisure, and the urban areas spent about 4% more for transportation. With respect to absolute expenditures, while

Figure 5-9 Bay Area Poverty Concentration (1989)



Source: U.S. Census, 1990.

Figure 5-10 Income Disparities Within Urban Communities (1989)



Source: U.S. Census, 1990.

**Table 5.4 Municipal Taxes and Expenditures for Urban and Suburban Areas
(Fiscal Year 1994)**

	Urban (Average Per Capita)	Suburban	% Difference: Urban to Suburban
Overall Taxes	\$ 471.00	\$ 356.00	32%
(Property)	\$ 203.00	\$ 149.00	36%
(Sales & Gross Receipts)	\$ 197.00	\$ 163.00	21%
Overall Expenditures	\$1,214.00	\$ 792.00	53%
Breakdown by Expense			Ratio
Public Safety	\$ 326.00	\$ 212.00	54%
Culture/Leisure	\$ 93.00	\$ 94.00	-1%

Note: Figures above EXCLUDE San Francisco. "Urban" = Alameda, Berkeley, Hayward, Oakland, Richmond, San José, San Leandro, San Mateo, and Vallejo. "Suburban" = Dublin, Fremont, Napa, Novato, Pacifica, Pleasanton, Redwood City, San Ramon, Santa Rosa, Sunnyvale, Vacaville, and Walnut Creek. Source: *Information Publications, 1996*.

urban and suburban areas each spent approximately the same on a per capita basis for culture and leisure, urban areas spent about 1.54 times as much per capita on public safety.

Civic Participation: Voting and Representation

Academic and popular literature points to voting and voting registration patterns as basic indicators of the level of citizen participation in local civic life. Widening gaps in voter participation have been noted based on income and class. For example, national voter turnout among professions associated with middle and upper incomes, versus turnout among manual laborers (including skilled crafts workers), changed significantly between 1964 and 1980. In 1964, the relative turnout was 83% (higher income workers) to 66% (lower income workers); by 1980, the respective turnout comparison was 73% to 48%.¹³ Drawing from this literature, an attempt was made to identify whether differential patterns of "civic participation" exist between urban and suburban areas.

A fairly cursory review of voter registration and turnout was performed for this study. First,

registration (as a percentage of the adult population over the age of 18) was tabulated for a sampling of urban and suburban areas. Second, actual voter turnout (again compared to the overall population over the age of 18) was reviewed for a smaller sampling.

As Table 5.5 shows, sizable differences were identified between the urban and suburban communities reviewed, both for registration and actual voter turnout. The gap was especially wide for voter turnout compared to the adult population; the range in urban communities was 48% to 52%, which is well below the corresponding range in suburban communities of 53% to 72%. Note that the 1992 presidential election year was selected for voter turnout reporting. A non-presidential election might unveil an even wider spread.^{iv}

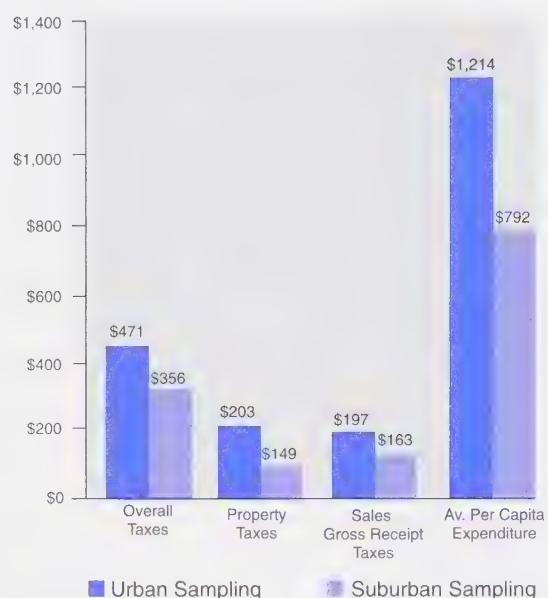
Several factors are likely contributing to the differences noted between the urban and suburban communities. As postulated, part of the difference may be due to higher levels of civic engagement in the suburban communities selected. A second key influence is also undoubtedly the issue of voter eligibility. For example, as discussed earlier, San Francisco's population includes a high percentage of foreign-born persons. Since urban

Figure 5-11
Municipal Finance:
Urban/Suburban
Differences
(Fiscal Year 1994)

A comparison of a sampling of urban and suburban communities reveals higher average per capita taxes and expenditures in urban areas.

Note: See Table 5.4 for an identification of the "urban" and "suburban" communities sampled.

Source: *Information Publications, 1996.*



areas have higher numbers of immigrants, they could also be expected to have a higher share of noncitizen (and thus ineligible) residents. A third factor is income: as noted, researchers indicate widening gaps in voter turnout related to income, with more affluent citizens more likely to vote (and an increasing gap over time).

A more complete analysis would look at other measures of civic engagement, and might include factors such as representation in elected office and appointed boards and commissions by geography and race. As one example, a recent study by the Latino Issues Forum¹⁴ reviewed Latino representation on Bay Area commissions and boards relative to the proportional population share, and found significant under-representation.

Civic engagement is a measure of community success, along with more commonly used economic and demographic measures. As we move toward an ever more pluralistic society, thriving communities will depend on greater civic integration.

Conclusions

The Bay Area, like all regions, is dynamic. While certainty about the future is elusive, past trends and future indicators (including technological changes which allow greater locational freedom, institutional investment decisions, economic restructuring, etc.) all generally point to growing relative influence for the suburbs in the metropolitan region. Moreover, the Bay Area exhibits many characteristics indicating a strong competitive positioning in the "global economy."

However, while Bay Area central cities, in general, have not exhibited the extreme levels of urban decline of some areas of the U.S. — nevertheless, there is sufficient cause for concern about overall metropolitan vitality based on disparities within the older cities as measured by higher percentages of hard-to-employ people, disparities in median household income and poverty, higher crime rates, disparities in municipal expenditures, and questions regarding civic participation and overall integration in a pluralistic society.

**Table 5.5 Voter Registration & Turnout
for a Sampling of Bay Area Urban & Suburban Communities**

City	% Registered	Turnout as a % of Registered	Turnout as a % of Population > 18
<i>Urban</i>			
Oakland	67%	65%	49%
Richmond	68%	68%	48%
San Francisco	67%	69%	52%
San José	61%	74%	45%
San Leandro	65%	67%	46%
<i>Suburban</i>			
Concord	74%	76%	59%
Novato	71%	86%	64%
Santa Rosa	75%	82%	63%
Sunnyvale	66%	77%	53%
Walnut Creek	86%	81%	72%

Notes: "% Registered" is calculated for 1993. Voter turnout figures for 1992 election are based on information from the County Registrars of Voters for all areas except San Francisco. San Francisco figures are from the Secretary of State, State Archives. Source: *Information Publications, 1994*.

The information presented in this chapter reinforces many of the conclusions reached by the Bay Area Economic Forum in a report on the region's comparative economic performance.⁸ Although the Bay Area has numerous compelling strengths and advantages, there are also several major challenges for the economic health of the region:

- poor and worsening primary and secondary education performance;
- low discretionary income due to very high housing costs and taxes;

- worsening crime and poverty; and
- high cost of doing business.

While the issues cited above are faced by all communities to some degree, they have particular resonance in the major cities and older urban areas. If indeed these are potential obstacles to stellar regional economic vitality, shared regional success demands attention to these problems.

i Note that homelessness was cited much more frequently in San Francisco, which might have influenced the crime ranking.

ii Unless otherwise specified, all income figures cited are for 1989.

iii *San Francisco Chronicle*, September 27, 1996.

iv One note of caution: citywide averages for voter registration were not readily available for 1992, thus the registration percentages are for 1993, whereas the voter turnout is for 1992. However, the overall pattern is likely similar.

CHAPTER SIX

Regional Linkage:

Economic, Academic, Cultural, and Environmental Connections

"Regions are the geographic units in which we create our goods and services. We hire from a regional labor force. We count on a regional transportation system to move the people and the materials involved in their production. We rely on a regional infrastructure to keep the bridges and roads intact and our sewers and pipelines functioning. We live in a regional environment whose water and air do not recognize political boundaries." *Theodore Hershberg*

Fifty years ago, cities were the center of regional economic and social life. Today, regional resources have become more dispersed — forming a network of economic, academic, cultural, and environmental connections. Cities remain at the heart of the network — as centers for employment, tourism, transportation, arts and culture, and academic learning and research. This chapter examines the nature and extent of current and evolving regional linkages.

Cities as Regional Employment Centers

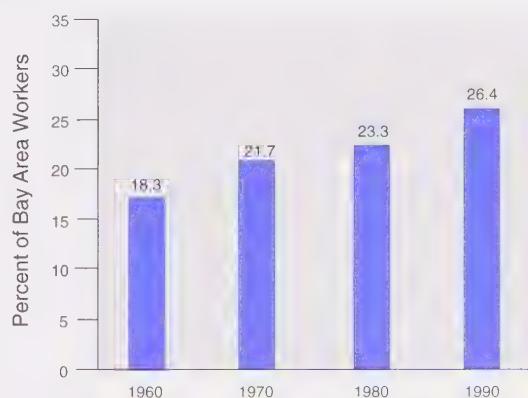
Commute Patterns

Although suburban areas have grown in population, employment and importance since the end of World War II, cities remain important regional employment centers. Many suburban residents commute to jobs in the central cities. These commute patterns show that the Bay Area's labor force is increasingly both mobile and regional. In the

Bay Area, the average commute to work is more than 24 minutes. Figure 6-1 shows the growing percentage of Bay Area residents that commute outside their counties of residence.

Table 6-1 shows the county of residence for commuters into the 3 largest cities in 1990. While San Francisco's relative share of regional jobs has declined over the past few decades, the absolute number of jobs has increased substantially — from 386,000 in 1960 to an estimated 567,000 in 1990. Although San Francisco's population has remained steady over the past 35 years, employment has increased, bringing more commuters. Most commuters to Oakland come from within Alameda County. However, almost 29,500 people commute from Contra Costa County, illustrating Oakland's role as an employment center for the East Bay.

Figure 6-1 Workers Commuting Outside County of Residence



Source: U.S. Bureau of Economic Analysis, 1996

Table 6.1 Residence of Commuters into the 3 Cities

County of Residence	Work in Oakland	Work in San Francisco	Work in San José
Alameda	50,094	60,797	18,411
Contra Costa	29,495	47,714	2,449
Marin	1,953	33,690	194
Napa	418	1,044	27
San Francisco	7,815	--	1,697
San Mateo	3,046	79,022	6,165
Santa Clara	1,190	7,594	82,401
Solano	4,570	9,829	309
Sonoma	544	8,357	151
Outside Region	3,694	11,665	15,318
Total	102,819	259,712	127,122

Source: U.S. Bureau of the Census, 1990.

Table 6.2 Jobs v. Employed Residents

	Number of Jobs	Employed Residents	"Additional" Jobs
3 Cities			
San Francisco	567,112	381,923	185,189
Oakland	177,810	160,092	17,718
San José	334,630	400,827	-66,197
Counties			
Alameda	452,940	472,677	-19,737
Contra Costa	333,103	400,841	-66,197
Marin	105,185	124,900	-19,715
Napa	48,057	51,562	-3,505
San Mateo	319,866	346,321	-26,455
Santa Clara	527,195	395,366	131,829
Solano	121,006	158,549	-37,543
Sonoma	166,297	190,402	-24,105

Source: Metropolitan Transportation Commission, Working Paper #5: The Journey-to-Work in the San Francisco Bay Area, April 1993. (Based on 1990 Census Transportation Planning Package.)

Resident and Commuter Labor Force

To examine the role of central cities as employment centers further, it is helpful to compare the number of people working in a city or county with the number of people living there (see Table 6.2).

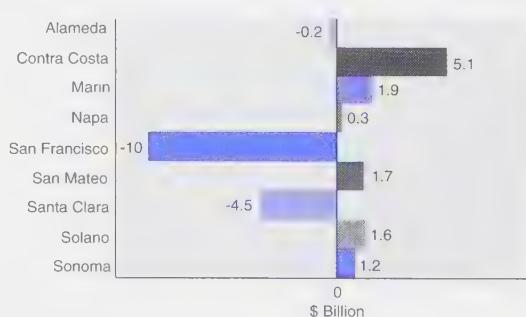
The number of people working in San Francisco, for example, far exceeds the number of employed San Francisco residents. This results in a large number of additional jobs for people who reside outside San Francisco. Oakland also provides a modest number of additional jobs to workers from beyond its borders. In contrast, Contra Costa and Solano counties and the City of San José have a significant number of people residing there who must commute elsewhere for work.

Santa Clara County is the second largest employment center in the Bay Area. The employment center within the county consists of the cities of Palo Alto, Santa Clara and Sunnyvale — rather than San José, the historic job center. Each of these cities contributes more than 40,000 jobs to the regional job pool, however with the recent strong industrial and commercial development in north San José, this picture has been changing.

Net Flow of Employee Earnings

Another way of looking at this information is to compute the net flow of earnings — the earnings of residents minus the earnings of those working, but not living, in a particular place.

San Francisco's significance as an employment center is shown vividly in Figure 6-2. The combined earnings of people working in the city exceeded the combined earnings of city residents by \$10 billion. Santa Clara and Alameda are the only

Figure 6-2 Net Flow of Employee Earnings

Source: U.S. Bureau of Economic Analysis, 1996.

other counties in the region where earnings flow outward to other locations.

In contrast, the earnings of Contra Costa residents exceed those of commuters who live outside the County, but work in Contra Costa by more than \$5 billion. The counties of Marin, San Mateo and Solano are also significant beneficiaries of the earnings brought home by commuters.

Secondary Employment

Commuters bring earnings home and spend dollars in their home economies and thereby generate jobs.ⁱ The primary industries affected by this income are retail, personal services, and medical services. Table 6.3 shows that secondary employment generated by commuter spending at home has the largest impact on the counties of Alameda, Contra Costa and San Mateo.

Table 6.3 Secondary Employment From Commuter Spending

Counties	Number of Employees
Alameda	24,800
Contra Costa	24,800
Marin	10,500
Napa	1,700
San Francisco	8,600
San Mateo	21,000
Santa Clara	11,800
Solano	7,200
Sonoma	4,500

Source: ABAG, 1996.

Bay Area Ports Link the Region to the World

The Bay Area's sea and airports provide an essential link between local product manufacturers and international markets. International exports are increasingly important to the regional economy. In fact, the San José metropolitan area is now the nation's third largest export area in dollar value, following only Detroit and New York.ⁱⁱ The value

of international exports exceeds that of goods sold domestically. In 1993, the value of goods from Bay Area exporters was more than \$30 billion.

Seaports

The region's seaports form a nexus of regional rail, truck and ship lines, as goods from across the region funnel through on a daily basis. The Bay Area is home to a number of active shipping ports: Oakland, San Francisco, Richmond, and Redwood City. Oakland is the dominant port, ranking fourth in the nation.

The Port of Oakland accounts for 62% of the tonnage, and over 90% of the value, of exports transported by ship through the San Francisco customs district (which covers Northern California). The Port of Oakland is also a key exit point for goods produced in the region. A Caltrans study of truck traffic going into the Port of Oakland showed that 75% of those trucks originated inside the Bay Area.

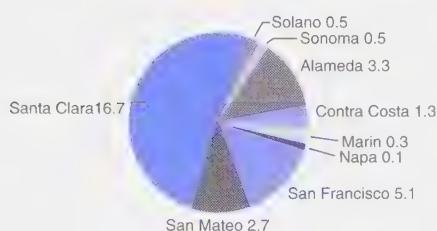
Figure 6-3 estimates the dollar value of international exports from each county for 1993 based on Commerce Department data. Exports from each county reflect the character of each local economy. Thus, Santa Clara County's exports are primarily electronics goods. Napa and Sonoma's exports include substantial agricultural and food products. Contra Costa exports include significant petroleum and chemical products. Production for export also creates a significant number of jobs. Table 6.4 presents direct and indirect jobs, for each county, related to the manufacturing of goods for export.

Air Cargo

The San Francisco International Airport is the center for regionally-produced exports that rely on air cargo. Industrial machinery and electronics are two of the top three regional exports, accounting for close to 60% of the value of total regional exports.

High technology manufacturing firms, predominantly located in Santa Clara, San Mateo, and southern Alameda counties, are critically de-

Figure 6-3 Bay Area Exports by Origin and Value in Billions (1993)



Source: U.S. Department of Commerce, 1993.

pendent on transportation through the San Francisco International Airport. Air cargo operations are co-located with passenger service because of the capacity available to shippers in the baggage holds of airliners. As a result, 90% of industrial machinery, and computer and computer-related exports are sent from San Francisco International Airport. Oakland International Airport, however, dominates the Bay Area's domestic air cargo market, transporting more than 500,000 tons per year.

Table 6.4 Jobs Related to Manufacturing Export (1993)

Counties	Number of Jobs
Alameda	29,200
Contra Costa	9,500
Marin	2,400
Napa	800
San Francisco	45,800
San Mateo	23,700
Santa Clara	157,000
Solano	4,000
Sonoma	4,000
Bay Area	276,400

Note: includes direct and indirect jobs.

Source: ABAG, 1996.

Business Location Decisions in a Regional Market

In 1995, Fortune Magazine named San Francisco the top location in the United States for business. While San Francisco was specifically cited, the

amenities and resources named are located throughout the region. Clearly, it is the combined features of the region that give it prominence.

Site Selection Criteria

As Fortune Magazine noted, national and international businesses looking to relocate do not just want a city — they want a region that can provide business necessities as well as quality-of-life amenities.

Site selection criteria are both regional and highly localized (site-specific). Many of the regional criteria (such as world-class arts and cultural facilities) are located in cities. Thus, even when a business locates in the outer edges of the region, they may be drawing upon strengths in the region's cities. Coupled with the role they play as corporate and financial centers, cities contribute to the overall attractiveness and image of the region.

Competition for Highly-Skilled Workers

A survey of 500 East Bay high technology company executives identified the most important factors in attracting high technology companies to an area.⁶⁸ These included both business-related and quality-of-life factors such as: proximity to academic and research institutions, work force preparedness, world-class arts and cultural activities, and good schools. A full complement of local and regional amenities is particularly important for businesses that compete for highly-skilled workers. These workers are often highly mobile and can afford to make job decisions based partly on the geographical desirability of an area and its quality-of-life features.

Geographic Concentration as a Location Incentive

The geographic concentration of like-businesses in an area is also a location incentive. Businesses continue to cluster in areas such as Silicon Valley for high technology and South San Francisco or

Emeryville and Berkeley for biotechnology. Reasons include ready access to a large pool of skilled workers and the fact that business concentration also facilitates the development of specialized inputs and services.⁶⁸

Educational Resources

The Bay Area's academic institutions provide important economic linkages across the region. The major research universities — U.C. Berkeley, U.C. San Francisco, and Stanford — make a particular contribution as major employers (employing more than 48,000 people combined), incubators to new businesses, and providers of a highly educated work force.

The combination of research and development performed by the Bay Area's leading universities and private organizations provides a significant slice of the region's economic activity. The National Science Foundation estimates that California leads the nation in research and development, spending \$33.7 billion out of the national total of \$166 billion in 1993.³¹ ABAG estimates that the Bay Area accounted for \$13 billion of that spending. While the universities and national laboratories are an important part of the region's research and development, 75% is performed by private firms in electronics and biomedical companies. It is no coincidence that the Bay Area is a leader in these two industries — a position enhanced, if not facilitated, by their historic ties to the universities.

Direct Expenditures

A 1989 Peat Marwick study of U.C. Berkeley's total economic impact estimated university and student expenditures at \$1.23 billion in the Bay Area. This total includes \$356 million in Berkeley, \$385 million in the rest of the East Bay, and \$489 million in the rest of the Bay Area. An upcoming study estimates Stanford's contribution to the local economy at \$1.9 billion.

Links to Business and the Regional Economy

Graduates of the major research universities are also part of every community in the Bay Area, providing both formal business linkages and informal information networks. In an area known for its highly educated work force, over 12% of those with a Bachelor's degree attended either Berkeley or Stanford. For example, three quarters of the Ph.D.s who join industries in the five southern counties of the Bay Area are Berkeley graduates. The largest employers of Berkeley Ph.D.s are: Hewlett-Packard, IBM, Xerox, Chevron and Bechtel.

Business incubation, and the encouragement of entrepreneurship have been particular hallmarks of the Bay Area's major research institutions. Stanford has the longest history of business incubation as the birthplace of Silicon Valley in the 1940s. One survey indicated that while business incubation begins near the campuses, as companies mature they typically migrate to the surrounding community.⁹ Over time, businesses with original ties to research institutions have located in almost every county in the region.

The major research universities are also important for the commercialization of research. For example, surveys rank the computer science and electrical engineering programs at U.C. Berkeley and Stanford among the top four programs nationwide, and U.C. San Francisco and Stanford are recognized as the leading institutions in biotechnology. Research in these programs has resulted in early computer products, recombinant DNA, and the computer language development underlying the Internet.

Also, programs at Stanford allow small companies to attract top talent by providing flexible graduate education to workers in the computer industry, and by promoting research collaboration between individual faculty and private companies. For example, Stanford and U.C. San Francisco have licensed the basic patents for recombinant DNA to hundreds of companies and have shared over \$125 million in royalties.¹⁸

Tourism and Travel

San Francisco is renowned as a favorite tourist destination. This is evidenced by its recent ranking as the number one destination in the country.ⁱⁱⁱ Each year more than 16 million people visit San Francisco, and more than 50 million visit the region. Of these regional visits, over 2 million are international, and 48 million are from within the region (see Table 6.5) and the rest of the United States.^{58, iv} Travel and tourism represent billions of dollars to the region's economy every year, and directly and indirectly support almost 200,000 jobs.

**Table 6.5 Bay Area Travel Destinations
(Millions of Domestic Visitors)**

Counties	Business	Leisure	Total
Alameda	2.2	2.8	5.0
Contra Costa	0.7	2.3	3.0
Marin	0.1	1.0	1.1
Napa	0.3	2.2	2.5
San Francisco	5.8	10.2	16.0
San Mateo	1.1	1.7	2.8
Santa Clara	4.5	6.3	10.8
Solano	0.4	2.4	2.8
Sonoma	<u>0.7</u>	<u>3.4</u>	<u>4.1</u>
Total	15.8	32.3	48.1

Source: U.S. Trade and Commerce Agency, 1994.

San Francisco

San Francisco plays a critical role not only as the primary tourist and business destination but as an important link in attracting travelers to the rest of the region. A recent survey by the San Francisco Convention and Visitors Bureau^v indicates that 41% of visitors to San Francisco also visit the Sausalito/Tiburon/Muir Woods area; 27% visit the wine country; and 17% visit the Oakland/Berkeley area. Because visitors to San Francisco make up such a large percentage of the region's total, visitors to that city who subsequently travel to

Marin exceed the number of travelers who make Marin their primary destination. San Francisco travelers to the wine country equal 65% of those who make Sonoma and Napa their primary destinations, and equal 54% of those who make Alameda County their primary destination.

Economic Impacts of Tourism

The economic impact of tourism is substantial. ABAG estimates that tourists directly contribute \$5.8 billion annually to the Bay Area economy. The direct and indirect effect of traveler spending (all spending except air travel) results in 124,000 jobs in the Bay Area. It is possible to quantify, for example, the economic impact of day trips of San Francisco visitors to other regional destinations. ABAG estimates that Marin County's economy gains an additional \$546 million and 10,700 additional jobs, the wine country in Sonoma and Napa counties gains an additional \$359 million and 7,100 jobs, and Alameda County gains an additional \$226 million and 4,500 jobs from travelers whose primary destination is San Francisco.

Air Travel

Nearly one-third of all Bay Area visitors fly into one of the region's three major airports. San Francisco International (SFO) was the entrance to the Bay Area for 10.4 million international and domestic visitors in 1994. Survey information indicates that international visitors account for 25% of visitors traveling through SFO.^{vi} Oakland International Airport was the gateway for 1.9 million visitors to the Bay Area.^{vii} And, San José International Airport served as the transit point for 2.1 million visitors in 1994.^{viii}

Since travelers to the region represent approximately half of the passengers at the three area airports, it is also noteworthy to consider the economic impact of the airports. Airlines and airport services at SFO, for example, including the United Airlines Maintenance Center, generate about \$5.1 billion annually for the region's economy. San José and Oakland International airports are conserva-

tively estimated to contribute an additional \$1.5 billion annually to the region's economy.

Arts and Culture

Historically, San Francisco played an important role as a regional center for arts and culture. Today, artistic and cultural institutions in the urban centers remain vitally important to regional identity.

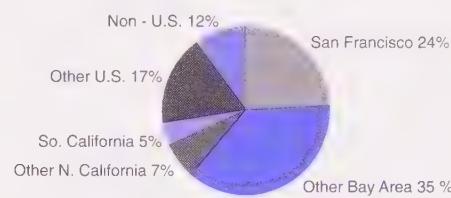
A recent Bay Area Economic Forum⁸ report discusses the strength of this region's eclectic cultural resources and performing arts companies. The cultural resources mentioned include: Asian Art Museum, de Young Museum, California Palace of the Legion of Honor, San Francisco Museum of Modern Art, Oakland Museum, Stanford's Rodin collection; the Technology Center of Silicon Valley, Exploratorium, and San José's Discovery Museum. In addition, the report cites San Francisco's position among only a handful of cities in the world with internationally-recognized resident companies in all major performing arts: opera, symphony, ballet, and theater.

A striking feature of the above list is that all but one of the facilities or institutions mentioned are located in the 3 largest cities. Clearly, the major cities command a disproportionate role in the region's standing as an artistic and cultural center. This does not, however, diminish important regional and community art, theater, and cultural venues outside these cities, which also contribute to and benefit from urban-suburban arts and cultural linkages.

Visitor Statistics Demonstrate Regional Linkage

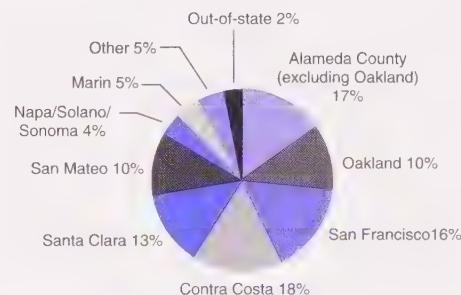
Visitor statistics for arts, cultural, and entertainment facilities strongly demonstrate regional linkage. Patrons from around the region attend these facilities, indicating that they are truly regional institutions (see Figures 6-4, 6-5, and 6-6). For example, while 24% of visitors to San Francisco's de Young Museum came from San Francisco, 35% came from other Bay Area locations.⁴²

Figure 6-4 Residence of Visitors to the deYoung Museum (San Francisco)



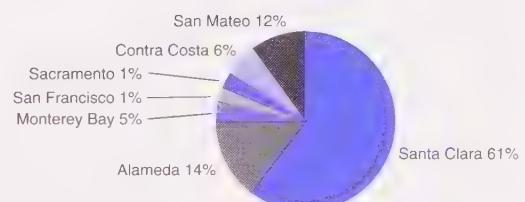
Source: M.H. deYoung Memorial Museum, 1996.

Figure 6-5 Residence of Attendees Golden State Warriors (Oakland)



Source: Golden State Warriors, 1996.

Figure 6-6 Residence of Attendees San José Sharks



Source: San José Sharks, 1996.

Suburbanization of the Arts

As the suburbs mature, central cities have begun to lose their monopoly on art and cultural facilities. Examples of major regional facilities which have located in the suburbs and which represent a kind of “coming of age” include the Walnut Creek Regional Center for the Arts and the Luther Burbank Performing Arts Center in Santa Rosa. Santa Clara County is also noteworthy for the relatively recent blossoming of major arts and cultural facilities in San José, Palo Alto, Mountain View, and Cupertino.

Questions regarding likely impacts of the suburbanization of arts and cultural facilities, particularly on city facilities, have recently been studied by Norman Schneider and Matthew O’Grady at San Francisco State University.⁵⁵ The study addressed regional identity and also looked at financial health issues (particularly for those venues which rely on more affluent institutional benefactors and patrons - both of which are increasingly located in the suburbs).

The following research question was also posed: “Has the development of regional arts in the Bay Area contributed to a narrowing or broadening of the suburban dweller’s sense of community?” The study points out the importance of linking urban and suburban institutions to contribute to “...a wider sense of community, one that constructively links central city and edge city....” It suggests policies to encourage greater collaboration and interaction, rather than accepting a competitive approach. Also, each area has different strengths — central city venues have established companies and reputations, while suburban locations have growing populations and (sometimes) greater financial resources.

The Regional Environment

Land, air, and water resources together make up a dramatic environmental setting for the San Francisco Bay Area. Yet, waterways and airsheds know no jurisdictional boundaries, and polluted conditions, whether air from suburban commute traf-

fic, or soil from an old urban manufacturing plant, affect the quality of life and competitiveness of the region as a whole. Regional recreational, aesthetic, cultural, and economic opportunities are all tied to these resources, and the preservation and enhancement of the physical environment has been, and will continue to be, crucial to the long-term sustainability of the Bay Area economy.

Land Resources

More than 200,000 acres of open space — including parks, gardens, zoos, golf courses, and other recreational facilities — are available to Bay Area residents and visitors.^{ix} Agricultural land in the region totals just over 820,000 acres. This vast resource provides the residents of the Bay Area with proximity to rural lifestyles, additional open areas, and is also an important food source.

Demand for developable land for commercial and residential growth is an inevitable component of a vital economy. Nearly 60,000 acres of open space and agricultural land have been developed for urban and suburban uses between 1985 and 1995. This constitutes an average loss of undeveloped land of approximately 1% per year. If construction of additional housing, commercial buildings, and industrial facilities could be directed to existing urbanized areas, open space loss would occur more slowly.

To address this demand, many jurisdictions are establishing planning efforts to create greenbelts. Greenbelts, or other growth boundaries, can channel growth within cities as infill development and assist in creating a more orderly development pattern in growing communities.

Toxic Sites

Toxic sites, or brownfields, are abandoned or underutilized facilities or areas where soils and/or groundwater have been contaminated. The cost and uncertainties associated with cleanup often make cleaner, less dense areas on the fringes of the region more attractive to businesses — resulting in pockets of underutilized industrial land in the

urban core. These sites are primarily commercial and industrial, and their cleanup and redevelopment is important to urban economic development. The cleanup of former military bases which are being converted to civilian use will also be important to the region.

The goal of the Environmental Protection Agency's (EPA) Brownfields Action Agenda (BAA) and local brownfield initiatives is the cleanup and redevelopment of toxic sites. The BAA funds pilot projects which promote environmental cleanup, assist in removing liability and other barriers to cleanup and redevelopment, and build public participation and community involvement in the decision making process for local brownfields. Thus far, four communities have been designated by EPA for cleanup and redevelopment: Emeryville, East Palo Alto, Richmond, and Oakland. Regional collaboration among government, redevelopment agencies, local communities, financial institutions, developers, and industry is an important component in the economic revitalization of these sites.

Air Quality

The Bay Area's airshed is defined by geographic and climatic conditions unrelated to political boundaries. Many rural or suburban residents see or feel the effects of automobile emissions, much of which is generated in the more urban corridors. When air quality standards are not met, public health may be endangered in cities and neighborhoods throughout all or parts of the region.

In the region as a whole, nearly 100 million miles are traveled by vehicles *on a daily basis*.^x Based on the quantity of fuel used regionally, it is estimated that *26 million tons of CO₂* are added to the atmospheric load from Bay Area vehicles every year. The nature of development in the Bay Area fosters driving which has accelerated the consumption of fuel, exacerbating air quality problems. Concentrating development and/or reducing single-occupancy auto travel could reduce miles traveled, thereby lowering mobile source emissions.

Water Quality

The San Francisco Bay and Delta is an inescapably strong environmental asset of the region. Each of the nine counties includes some bay frontage, as do 41 of the region's cities. From all perspectives — resource, economic, and recreation — the Bay ties the region's communities together.

Discharges impact aquatic life and the health of this unique water system. Over 60 toxic pollutants are conveyed to the Bay and its surface waters, affecting fishing and consumers of fish and shellfish, local and migrating birds and waterfowl, and recreational activities. Economic concerns are tied into water quality as well, since agriculture and industry rely on clean water from the estuary for irrigation and processing.

A clean bay and estuary depend on minimizing runoff from developed areas. In addition to effluent and runoff to the Bay, sedimentation from construction sites may cause turbidity and algal growth throughout the region. Finally, many water agencies supply their customers from reservoirs fed by watersheds in rural areas of the region; thus many communities depend on high quality water from storage some distance away.

Conclusions

This chapter examined ways in which urban and suburban areas are economically, academically, culturally, and environmentally interconnected. It also explored the critical role cities play as hubs within this regional network.

Commute patterns clearly show the increasingly mobile and regional nature of the Bay Area labor force. Suburban residents, many of whom commute to these urban centers to work, spend their wages in their home economies, resulting in suburban revenue and job generation.

Goods are produced throughout the region, and cities house the air and seaports that transport those goods to domestic and world markets. The Bay Area is also an attractive location for business, and cities provide many quality-of-life ameni-

ties, such as arts, culture, and recreational activities, which enhance the economy, as well as the image and marketability of the region.

Colleges and universities provide the Bay Area's growing "brain-based" economy with a talented labor pool, and also fuel the commercialization of private sector research and manufacturing throughout the region. Overall, the combination of university research, development, and academic training provides a significant contribution to the region's economic activity.

Tourism is also important to the Bay Area economy, and San Francisco plays a crucial role in attracting travelers to the rest of the region. North and East Bay communities, in particular, benefit from tourism flowing into San Francisco.

Finally, the Bay Area's natural environment crosses jurisdictional boundaries and affects the quality of life and competitiveness of the region as a whole. Maintenance of shared resources will require coordinated effort by both urban and suburban leaders.

-
- i The portion of incomes spent in local areas was estimated by examining the categories contained in the Bureau of Labor Statistics market basket of consumer spending for the region. ABAG's input-output model for the Bay Area was then applied to estimate the resulting employment levels.
 - ii Jonathan Marshall, "Silicon Valley Export Leads U.S." *San Francisco Chronicle*, October 24, 1996.
 - iii *San Francisco Chronicle*, October 10, 1996
 - iv "The Economic Impact of San Francisco International Airport." San Francisco Airport Commission, October, 1993 for estimates of international traveler.
 - v San Francisco Convention and Visitors Bureau, "1995 San Francisco Visitor Demographics and Statistics," SFCVB: 1995.
 - vi "The Economic Impact of San Francisco International Airport." San Francisco Airport, Financial Planning Department.
 - vii Jennifer D. Franz, "1995 Metropolitan Transportation Commission Airline Passenger Survey," J.D. Franz Research, February 1996.
 - viii Jennifer D. Franz, "SJO Quick Facts," [www.sjc.org/quickfacts](http://www.sjc.org/), 1996.
 - ix Bay Area Spatial Information System, ABAG. Copyright 1995.
 - x Bay Area Air Quality Management District, San Francisco, California. Data on maximum concentrations of ozone and the number of days in which the maximum ozone concentrations in various Bay Area airsheds exceed state and national ozone standards in 1996. Data available at <http://www.sparetheair.org/96box.htm>.

CHAPTER SEVEN

Implications for Public Policy

"A vision of the future can act as a stimulus, rather than an answer. It can be the grain of sand in the oyster, not the pearl."

Ronald A. Heifetz and Riley M. Sinder

Context

The debate about the interdependence of cities and suburbs within academic and popular circles did not arise in isolation. Rather, it emerged within a context of declining urban political clout and at a time when scholars and journalists were arguing that suburbs no longer needed cities.⁵⁷ Author Joel Garreau, for example, promotes the concept of edge cities as a new form of development: multidimensional, functionally evolved and *independent* of central cities.

Around 1990, the political influence of urban areas began to shift. Prior to that time, support for resources to address central city problems focused primarily on fairness and equity. However, the declining share of voters in cities and the waning strategic importance of urban issues on the political landscape diluted the strength of such arguments. Thus a new body of research and analysis emerged which focused not only on equity, but also on economics. This research looked at cities as the engines of the regional economy and the linchpin of overall metropolitan growth and vitality. The policy question then shifted to whether suburbs could afford to ignore central city issues and problems, without an eventual adverse impact on suburban economic interests.

Different Futures?

This study questions whether urban and suburban areas are on different trajectories. Various data presented suggest that indeed there has been a pulling apart between these two areas. Furthermore, trends indicate the most likely future scenario is a continuation on disparate trajectories.

What will be the likely impact of urban-suburban disparity on overall regional vitality and prosperity? A number of authors and scholars point to negative economic consequences. Anthony Downs, for example, suggests that if the suburban population continues to turn its back on the problems of the central cities, it will bring about severe economic and social crisis not only in the cities, but eventually in the suburbs as well.

A Basis for Public Policy

Scholars point out that economic arguments alone provide an insufficient basis for policy making. Regardless of whether one views the economic arguments as compelling, social equity and public policy issues persist. One author, Todd Swanstrom, suggests that the debate about the interdependence of cities and suburbs "will not be settled by amassing more economic facts." He suggests that a preoccupation with economic forces and interests excludes discussion of important political and social values and also leads to a false dichotomy: between liberalism (characterized by government intervention) and conservatism (characterized by the free market). He concludes that no amount of data-gathering can finesse the central question, which is one of policy.

Swanstrom also points out that even *if* researchers were to conclude that suburbanites had succeeded in creating a society completely separate from cities, important questions remain. For example, is the separation created by the operations of a free market, maximizing economic interests? Or is it created by values and beliefs (racism, for example) and institutional structures which perpetuate separation? The author asserts that if the latter is true, public policies should avoid perpetuating city-suburban separation.

Study Topics and Findings

This report considered:

- national, regional and local research and literature pertaining to metropolitan form, function and vitality;
- past, current, and future conditions and trends which provide context on the Bay Area's position *vis à vis* the nation and other regions; and
- the degree of regional connection based on economic, social, academic, cultural and environmental linkages.

Interdependence

A solid body of evidence supports mutual interest and concern based either on economics or equity, depending on one's orientation and philosophy. Taken together, the preponderance of information presented in this report argues for urban-suburban *interdependence*. Cities and suburbs no longer have the kind of *dependent* relationship they once

had. However, they are not *independent* of each other either. Rather, the relationships are complex, multidimensional and multidirectional . . . hence the term "*inter*dependent." Also, most evidence suggests that the relationships are likely to be complementary, rather than competitive, and most scholars indicate that this complementarity is likely to increase in the emerging economy.

Global Economic Restructuring

This report also presents information on the changing global economy and potential overall impacts on regional employment and labor force and, more specifically, implications for cities and suburban areas. The report concludes that although cities and suburbs are interdependent, they are not equally affected by past and future economic restructuring. Instead, it appears that *absent outside intervention*, there will likely be continued bifurcation within cities and polarization between relative affluence in the suburbs and relative concentrations of poverty and minority populations in the cities. As a recent U.S. Office of Technology (OTA) report states: "Cities face a challenge in how to bridge what appears to be a growing gap between the skills required for employment in advanced services concentrated in urban cores, and the limited skills that many young big-city residents bring to the job market."⁵⁹

Moreover, indicators suggest that regional economic competitiveness will depend, in part, on overcoming the problems of the weakest link in the metropolitan economy, which exists in parts of the central cities and older suburbs.

"Geographically targeted economic development activities which draw on particular resources and strengths of ethnic communities and empower community institutions are particularly important in global cities."

Richard LeGates, Michael Potepan, and Elisa Barbour

Policy Implications

Examples of existing research and policy work to advance a targeted, strategic approach to regional economic development have been briefly discussed in Chapter 4. However, much more can be done.

For example, building upon the regional industrial cluster analysis approach developed by the Bay Area Economic Forum, a finer-grained assessment of localized comparative advantage could be prepared to:

- maximize competitive advantages for central cities, older suburbs and newer suburbs, by identifying and developing industry clusters for each, since the competitive advantages for particular cities could vary significantly from the region as a whole.

Policy work to support strategic economic development in urban areas could, for example, expand upon research and analysis begun by LeGates, Potepan, and Barbour, extending it beyond San Francisco to other cities and older suburbs in the region to:

- consider future employment opportunities relative to the local labor force, and identify sectors likely to provide entry-level jobs and occupations with significant growth potential, particularly those where wages are high relative to education/skills.

One strategy option to promote integrated regional economic development would be to:

- consider ways to improve data collection and analysis so that it is as useful as possible to public and private professionals involved in economic revitalization.

In addition to the examples above, which primarily emphasize economic development and urban data and policy analysis, other strategy options focus on:

- job training and public private partnership;
- infrastructure planning and financing;
- regional promotion of arts and culture;
- inter-jurisdictional collaboration and service delivery;
- race relations;
- housing supply and affordability;
- media and public relations to promote a regional identity and to publicize innovative projects and programs; and
- the development of an urban agenda at federal and state levels.

David Rusk, author of *Cities Without Suburbs*, comments that the increasing polarization of urban and suburban areas requires a strong, multi-faceted, regional response. "It is not important that local residents have their garbage picked up by metro-wide garbage service or their parks managed by a metro-wide parks and recreation department." It *is* important, however, that local and regional governments develop integrated policies and strategies that will diminish racial and economic disparities and increase the region's ability to compete.

Plan of Action to Strengthen the Regional Economy

Menu of Strategy Options

A set of policy options is presented for consideration and discussion. In many areas, important work is already underway and should be supported or augmented. The attached list, while comprehensive, is not exhaustive. It is intended as a menu to gauge initial interest, direction, and priorities. The table distinguishes the appropriate ABAG involvement, signified by:

- *lead*, which means ABAG will take a primary role in seeing this strategy accomplished;
- *convene*, which means ABAG will bring together the people and organizations working in this field to facilitate policy development consensus, strategy, and implementation; or
- *assist*, which means ABAG will support the main actors and publicize innovative and successful efforts in furthering the goal.

Strategies

ABAG Role

1 Education and Job Training

- Strengthen existing partnerships between business, area school districts, community colleges, and job training programs to ensure that students graduate with the skills needed by employers both now and in the future. *Assist*
- Encourage the replication of local innovative programs and activities which create and improve linkages between education, training, and jobs. *Lead*
- Work with area chambers of commerce, private industry councils, and others to develop job placement and transportation programs to ensure access of central city residents to suburban job markets. *Assist*
- Advocate state and federal funding for projects which link education, training, transportation, and jobs, especially related to preparing the labor force for the new jobs in a global-economy. *Lead*

2 Infrastructure

- Support infrastructure investment strategies that serve urban areas and give priority to the maintenance and operation of existing public facilities and systems. Could include new joint regional financing mechanisms. *Assist*
- Direct growth to where infrastructure capacity is available or committed. For example, create differential infrastructure development fees/pricing to reflect full costs and planning priorities. *Lead*

3 Urban Data and Policy Analysis

- Encourage technical experts in both public and private sectors to build on existing efforts in data research and analysis. Periodically review these activities to ensure that data is developed, integrated, presented, and shared so as to maximize usefulness for policy makers. *Lead*

4 Arts and Culture

- Encourage a regional approach to arts, culture, and entertainment. This might involve forming cultural districts to fund the promotion and development of regional cultural amenities. *Assist*

5 Inter-Jurisdictional Collaboration and Service Delivery

- Consider collaborative cost and revenue-sharing to address revenue-driven land use decisions and to promote efficiency and equity in providing services to new and existing development. *Lead*

Strategies

ABAG Role

- Seek new opportunities to assist Bay Area cities and the region during the current devolution of power from the federal government. For example, a regional approach to allocating shrinking social service funds could be explored. *Convene*
- Provide technical assistance, training, and support to those who are working on brownfield cleanup. Seek effective regulatory and financial solutions wherever possible to overcome existing obstacles. *Assist*
- Advocate incentive grants that encourage localities to plan collaboratively across city and county lines, share revenue on joint economic development projects, or combine or consolidate service districts or departments to improve cost-efficiency. *Lead*

6 Economic Development

- Support broad-scale regional approaches to economic development which identify and promote the competitive advantages of the region. An example is the recent Bay Area Economic Forum work identifying industrial clusters for which the region has a competitive advantage. *Assist*
- Support central cities and older suburbs in a strategic process to identify and promote their unique competitive advantage and to retain and develop businesses that provide high wages relative to education/skill levels, particularly for hard-to-employ people within the local labor force. *Assist*
- Develop a regional or subregional strategy of incentives and tax breaks for new development to avoid unnecessary “giveaways.” *Assist*
- Establish a task force to assess and address the impacts of poverty on regional economic vitality. *Convene*
- Identify state and federal barriers and disincentives to effective regional economic policy-making and collaboration; relay to appropriate state and federal decision makers. *Convene*

7 Race Relations

- Encourage open discussions and seek resolution of race problems in all aspects of community life, including housing and employment. This should be a broad-based effort involving schools, lenders, business and civic organizations, the real estate community, and religious and community organizations. *Assist*

8 Housing

- Work collaboratively with local governments to retain and attract middle- and upper-income households within cities. *Convene*
- Work with local governments to increase the region's housing supply, at a range of affordability levels. *Assist*
- Advocate adequate funding for housing which is affordable to low and moderate income households and to first time home buyers (such as the federal HOME program and recent HUD activities to support home ownership). *Assist*

9 Media/Public Relations

- Develop a media strategy to increase awareness and to educate the public and key groups about the nature and implications of urban and suburban interdependence, and regional identity. *Lead*

10 Federal and State Urban Agenda

- Advocate an urban agenda designed to increase development in central cities through tax incentives and direct funding. One example is support for new tax credits within urban economic opportunity zones; this could be combined with the development of a strategic plan to identify and capitalize on local competitive advantage. *Lead*

Bibliography

1. Adams, Charles F., Howard B. Fleeter, Yul Kim, Mark Freeman, and Imgong Cho. "Flight from Blight and "Metropolitan Suburbanization Revisited." *Urban Affairs Review*. Vol. 31, No. 4. March, 1996.
2. Applied Research Center. *Deliberate Disadvantage: A Case Study of Race Relations in the San Francisco Bay Area*. 1996.
3. Association of Bay Area Governments. *Projections 96*. 1996.
4. _____. *Projections 79*. 1980.
5. _____. *Primary Central Business Districts in the San Francisco Bay Area Spatial and Structural Shifts 1981-1988*. February, 1991.
6. Bartlett, Donald, and James Steele, et al. *America: What Went Wrong*. 1992. Cited by The Applied Research Center, *Deliberate Disadvantage: A Case Study of Race Relations in the San Francisco Bay Area*. 1996, p. 123.
7. Bay Area Council. "Bay Area Poll." November, 1995.
8. Bay Area Economic Forum. *The Bay Area: Leading the Transition to a Knowledge-Based Economy*. 1996.
9. Blair, John P. *Local Economic Development Analysis and Practice*. Sage Publications. 1995.
10. California Department of Justice, Criminal Justice Information Services Division. *FBI Crime Index*. 1980-1995.
11. Diamond, Henry L. Patrick F. Noonan. *Land Use in America*. Lincoln Institute of Land Policy. Island Press: Washington DC. 1996.
12. Downs, Anthony. *New Visions for Metropolitan America*. The Brookings Institution: Washington, DC. 1994.
13. Edsall, Thomas Byrne. "The Return of Inequality." *Atlantic Monthly*. June, 1988.
14. Figueroa, Roxanne. *Who's Planning the Future of the Bay Area?* Latino Issues Forum. 1996.
15. Fishman, Robert. *Bourgeois Utopias*. New York: Basic Books. 1987.
16. Franz, Jennifer D. "1995 Metropolitan Transportation Commission Airline Passenger Survey." J.D. Franz Research. 1996.
17. Garreau, Joel. *Edge City: Life on the New Frontier*. Doubleday: New York. 1991.
18. Grunwald, Eric, "OTL Turns 25 But Doesn't Get a Break on Insurance." *Stanford Technology Brain-storm*. Stanford University. Vol. 5, No. 1. Summer 1996.
19. Harrison, Bennett, John Grant, and Maryellen R. Kelley, *Specialization Versus Diversity in Local Economies: The Implications for Innovative Private Sector Behavior*. Paper commissioned for the U.S. Department of Housing and Urban Development Roundtable on Regionalism. Washington, DC. December, 1994.
20. Hershberg, Theodore. "The Case for Regional Cooperation." Center for Greater Philadelphia, University of Pennsylvania. February, 1994.
21. Hill, Edward W., Harold L. Wolman, and Coit Cook Ford III. "Do Cities Lead and Suburbs Follow? : Examining Their Economic Interdependence." Paper prepared for the seminar on Rethinking the Urban Agenda, sponsored by the American Sociology Association. Elkridge, MD. May 20-22, 1994.
22. _____. "Can Suburbs Survive without their Central Cities?: Examining the Suburban Dependence Hypothesis." *Urban Affairs Review*. Vol. 31, No. 2. November, 1995.
23. Holzer, Harry J. "The Spatial Mismatch Hypothesis: What Has the Evidence Shown?" *Urban Studies*. Vol. 28, No. 1. 1991.
24. Horowitz, Carl F. "Will American Inner Cities Dismantle Suburban Boundaries?" *The Journal of Social, Political & Economic Studies*. Vol. 9, No. 1. Spring, 1994.

Bibliography

25. Hughes, Mark Allen. "Employment Decentralization and Accessibility: A Strategy for Stimulating Regional Mobility." *Journal of the American Planning Association*. Summer, 1991.
26. _____. "Urban Employment Growth Patterns in Nine Large Metropolitan Areas." Lincoln Institute of Land Policy. 1995.
27. Ihlanfeldt, Keith R. "The Importance of the Central City to the Regional and National Economy: A Review of the Arguments and Empirical Evidence." *Cityscape*. Vol. 1, No. 2. June, 1995.
28. Information Publications. "California: Cities, Towns & Countries; Basic Data Profiles for Municipalities and Counties." Edith C. Hornor, Editor. Palo Alto, Ca. 1994.
29. _____. "California: Cities, Towns & Countries; Basic Data Profiles for Municipalities and Counties." Edith C. Hornor, Editor. Palo Alto, Ca. 1996.
30. Jacobs, Jane. *The Death and Life of Great American Cities*. New York: Random House. 1961.
31. Jankowski, Jr., John E. *Six States Account for Majority of R&D Spending*. Science Resources Studies Division Data Brief. National Science Foundation. 1995.
32. Kelley, Chris. "Wither the Cities?" *The Dallas Morning News*. December 3-6, 1995.
33. Ledebur, Larry and William Barnes. "Toward a New Political Economy of Metropolitan Regions." *Government and Policy*. Vol. 9. 1993.
34. _____. "All in it Together — Cities, Suburbs and Local Economic Regions." National League of Cities. February, 1993.
35. _____. "Metropolitan Disparities and Economic Growth." National League of Cities. August 1993.
36. _____. "Local Economies: The U.S. Common Market of Economic Regions." *The Regionalist*. Vol. 1, Number 2. Spring, 1995.
37. LeGates, Richard T., Michael Potepan, and Elisa Barbour. "Global City Economic Development Equity Planning." A paper prepared for the ACSP/AESOP congress. Toronto, Canada. July 25, 1996.
38. Leinberger, Christopher B. and Charles Lockwood. "How Business Is Reshaping America." *The Atlantic Monthly*. October, 1996.
39. Lester, Chris and Jeffrey Spivak. "Divided We Sprawl." *Kansas City Star*. December 17-22, 1995.
40. Meiszkowski, Peter and Edwin Mills. "The Causes of Metropolitan Suburbanization." *Journal of Economic Perspectives*. Vol. 7, No. 3. 1993.
41. Metropolitan Transportation Commission. "Working Paper #5: The Journey-to-Work in the San Francisco Bay Area." April, 1993. (Based on 1990 Census Transportation Planning Package.)
42. M.H. deYoung Memorial Museum. "Profiles of Visitor, Baseline Survey." January, 1996.
43. Mid-America Regional Council. *Metropolitan Kansas City's Urban Core: What's Occurring, Why It's Important & What We Can Do*. A report of the Urban Core Growth Strategies Committee. 1993.
44. Munroe, Tapan, Xiangjie (San Jay) Luo, and Bill Jackman. *The San Francisco Bay Area — Emergence of a New Economy*. Pacific Gas and Electric Company. September, 1995.
45. Orfield, Myron. "Metropolitics." Executive Summary of an as-of-yet unpublished manuscript. 1996.
46. Pearce, Neal R. "Regional Cooperation Helps to Build More Livable Communities." *The Sacramento Bee*, May 15, 1996.

Bibliography

47. Peirce, Neal R., Curtis Johnson, and John Stuart Hall. *Citistates: How Urban America Can Prosper in a Competitive World*. Washington, DC: Serve Locks Press. 1993.
48. Porter, Michael E. "The Competitive Advantages of the Inner City." *Harvard Business Review*. May-June, 1995.
49. Port of Oakland. "Facts About the Port of Oakland." 1996.
50. Raphael, Steven. "The Spatial Mismatch Hypothesis of Black Youth Unemployment: Evidence From the San Francisco Bay Area." University of California, Berkeley, Department of Economics. October 23, 1995.
51. Rusk, David. *Cities Without Suburbs*. Woodrow Wilson Center Press: Washington, DC. 1993.
52. Savitch, H.V. "Straw Men, Red Herrings...and Suburban Dependency." *Urban Affairs Review* .Vol. 31, No. 2. November, 1995.
53. Savitch, H.V., David Collins, Daniel Sanders, and John P Markham. "Ties That Bind: Central Cities, Suburbs, and the New Metropolitan Region." *Economic Development Quarterly*. Vol. 7, No. 4. November, 1993.
54. Saxenian, Annalee. *Regional Advantage: Culture and Competition in Silicon Valley and Route 128*. Harvard University Press: Cambridge, Massachusetts. 1994.
55. Schneider, Norman, and Matthew O'Grady. *Bay Area Regional Performing Facilities Study*. September, 1995.
56. Stegman, Michael A. and Margery Austin Turner. "The Future of Urban America in the Global Economy." *Journal of the American Planning Association*. Vol. 62, No. 2. Spring, 1996.
57. Swanstrom, Todd. "Ideas Matter: Reflections on the New Regionalism." *Cityscape: A Journal of Policy Development and Research*. Vol. 2, No. 2. May, 1996.
58. Trade and Commerce Agency. "Domestic Travel to California: Visitor Origins, Demographics and Trip Characteristics." D.K. Shifflet & Associates: McLean, Virginia. 1994.
59. U.S. Congress, Office of Technology Assessment. *The Technological Reshaping of Metropolitan America*. OTA-ETI-643. U.S. Government Printing Office: Washington, DC. September, 1995.
60. U.S. Bureau of the Census. "1990 Census Transportation Planning Package."
61. _____. Decennial Census.
62. U.S. Department of Commerce. Export Data. 1993.
63. U.S. Bureau of Economic Analysis. *Regional Economic Information System 1969-94* (CD-ROM). "Journey to Work." June, 1996.
64. Upclose Publishing. *Upclose San Francisco Bay Area*. San Mateo, Ca. 1991.
65. Vance, J. *Geography and Urban Evolution in the San Francisco Bay Area*. Institute of Governmental Studies, University of California at Berkeley. 1964.
66. Voith, Richard P. "City and Suburban Growth: Substitutes or Complements?" *Business Review*. September/October, 1992.
67. _____. "Do Suburbs Need Cities?" *Journal of Urban Economics*. November, 1994.
68. Young, Arthur. *Location Factors and Trends of High Technology Companies in the San Francisco East Bay*. 1989.

Acknowledgments

Project Director

Gary Binger, Deputy Executive Director, Planning Director

Project Manager

Janet McBride, Senior Planner

Principal Authors

Janet McBride, Senior Planner

Claudia Albano, Regional Planner

Contributing Authors

Paul Fassinger, Director of Research

Brian Kirking, Regional Planner

Ed Wyatt, Regional Planner

Technical Assistance

Hing Wong, Regional Planner

Emiliano Gaytan, Intern

Eric Shaw, Intern

Judith Kadish, Volunteer

Production

Kathi Carkhuff, Production Coordinator

Giovanni Luis, Photoshop Illustration

Carolyn Hughes, Design Consultant

Agency Administration

Eugene Y. Leong, Executive Director

Special Acknowledgment

ABAG greatly appreciates the efforts of the following individuals who either met with staff or reviewed a draft document and contributed ideas and insights:

Andrew Altman, City of Oakland; Kofi Bonner, City of Oakland; Darrell Dearborn, City of San José; Georgiana Flaherty, City of San José; Larry Florin, City and County of San Francisco; James Musbach, Economic & Planning Systems; Michael Potepan, Assistant Professor, San Francisco State University; Victor Rubin, University - Oakland Metropolitan Forum; Gary Schoennauer, City of San José; Paul Sedway, Sedway Consulting; and Angelo Siracusa, President, Bay Area Council (retired).

ABAG Officers

Charlotte B. Powers, President, Councilmember, City of San José

Mary V. King, Vice-President, Supervisor, Alameda County

Mary Griffin, Immediate Past President, Supervisor, San Mateo County

 Printed on recycled paper

U.C. BERKELEY LIBRARIES



C124919157



P.O. Box 2050
OAKLAND, CALIFORNIA
94604-2050
510.464.7900